Utilizing E-ticketing and digital systems to enhance the delivery of sporting events in the MENA region: Common practices to increase profitability and fan safety.

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### Abstract

Setting price and distributing tickets to an event is one of the most vital and complex parts of the sport and entertainment business. This is certainly the case in the modern sport environment, where a number of intricate systems are used to set prices and manage ticket inventory. However, with the emergence of the COVID-19 pandemic, being able to manage and distribute ticket inventory has become a much more complicated process. That is, because the coronavirus spreads through close contact between individuals, sport organizations and ticket managers must now find ways to be able to promote social distancing and limit contact to keep fans and staff members safe, while continuing to deliver a satisfactory customer experience to attendees. Additionally, because tickets represent one of the primary sources of revenue for organizations in sport and entertainment, there is often need for managers to make complex decisions that are in line with the objectives and goals of their company. In some cases managers will be tasked to try and maximize revenue as their organizations seek higher profitability, while in other cases they may need to price tickets based on trying to increase interest in a product. Based on this, the current case study focuses on the complexities of ticket pricing in the contemporary sport and entertainment industry, with focus on helping managers to improve their decisions in terms of how to utilize e-ticketing and other digital systems in order to be able to operate safely and effectively during and after the COVID pandemic.

### Keywords: E-ticketing, Digital Ticketing, Events, Price Dispersion, Dynamic Ticket Pricing

### **Learning Objectives:**

- Learn about the best practices for electronic ticket (e-ticketing) distribution for sport organizations.
- 2. Become familiar with various pricing strategies used by sporting events, and how they can be used to enhance organizational revenues and fan interest.
- **3.** Understand the impact that the COVID-19 pandemic had on ticket distribution and pricing, and the strategies used by organizations to overcome these difficulties.

# Introduction to the Case Context

Mr. Ali is the new Chairman of a professional football club based in the MENA region. Having completed the purchase of the sport team in the previous year, he has now take the time to conduct a complete audit of the organization as part of the development of a new strategic plan. At the same time, the emergence of the COVID-19 pandemic has presented his organization with numerous challenges, especially in regards to generating revenue from events while also trying to maintain the health and security of fans attending events and the employees working for his club. Amidst these challenges, one thing that has especially drawn attention from Mr. Ali and his staff is the ticket pricing and distribution practices that the team has been utilizing over the last several years. Considering that the revenue that comes from tickets is one of the major sources of revenue for a professional sport franchise, Mr. Ali feels there is need for a more analytical approach to determining how prices should be set in the future, however, he also recognizes that setting prices too high will potentially reduce the number of fans who choose to come watch games in person. Furthermore, because traditional ticketing practices presents a number of logistical and health issues for fans and staff, due to the number of close contact points that are needed to collect ticket, Mr. Ali has come to understand that the organization may need to change the manner in which they distribute tickets to fans during and after the COVID-19 pandemic. Based on this, Mr. Ali has decided to hire Samir, a consultant who specializes in ticket pricing and distribution systems for live events in order to develop a systematic approach to distributing and pricing tickets to games that will hopefully increase organizational revenues, while also helping to keep consumers safe.

As the expert in the field of ticket pricing and distribution, Samir begins by meeting with Mr. Ali and his team to discuss the complexities of ticket pricing and distribution and the various tactics used by sport and entertainment organizations around the world. Samir notes that despite the fact that ticket pricing seems to be rather complex, especially with the growth of online platforms being used to sell and re-sell tickets, that the practices used by many of the top teams in the world are rather straightforward.<sup>1</sup> Specifically, Samir highlights that even though professional sport teams in North America have been considered as the biggest innovators in ticket pricing strategies and distribution technology, many of these organizations were not very analytical in determining prices as recent as a five years ago.<sup>2</sup> That is, where the current systems use complex decision-making processes to determine how the prices of tickets should be set for each game, many of these teams were previously examining what prices were being charged by other teams, and then using that as the basis for their own pricing strategies. In this, Samir notes that while such practices did not necessarily cause teams' financial issues, it did prevent them from understanding what would be the best pricing strategies for their own organization based on

<sup>&</sup>lt;sup>1</sup> Matthew T. Brown et al., Financial Management in the Sport Industry (London: Routledge, 2017), p.236.

<sup>&</sup>lt;sup>2</sup> Drayer, Joris, Stephen L. Shapiro, and Seoki Lee. "Dynamic ticket pricing in sport: An agenda for research and practice." *Sport Marketing Quarterly* 21, no. 3 (2012): pp. 184-194, p. 184.

fan interest in their local market.<sup>3</sup> Hearing this information, Mr. Ali asks Samir if he would be willing to present a detailed review of digital ticketing practices, especially in relation to how sport and entertainment organizations have changed their ticket distribution and pricing practices during COVID-19, and then to discuss the ways in which the club might improve their own ticket distribution and pricing for the coming year. Samir agrees to this, and sets a meeting for the following week to present information on the importance of ticket pricing to Mr. Ali and his staff.

### **Digital Ticketing in Sport and Entertainment**

The following week, Samir meets with Mr. Ali and the rest of the staff at the football club to discuss ticket pricing strategies. Samir begins his presentation with an introduction into electronic ticketing, also known as "e-ticketing", which is the practice of using digital tickets in order to gain entrance to an event, facility, or service. Notably, e-ticketing was initially developed by the airline industry in 1994 as a way to keep computer records of all tickets that were being distributed to customers.<sup>4</sup> With the advent of smartphones and other similar handheld technologies, the adoption rate of individuals using digital versions of their tickets increased rapidly, and became commonplace within the airline industry.

Following the success of e-ticketing in the airline industry, many other business sectors began to also convert to using digital systems to track, issue, and accept electronic tickets as a way to gain admission to various facilities. Perhaps one of the biggest adopters has been the sport and entertainment industry, with sport and concert venues across the world moving to using these systems for a variety of reasons. Moreover, Samir highlights that the COVID-19 pandemic

<sup>&</sup>lt;sup>3</sup> Paul, Rodney J., and Andrew P. Weinbach. "Determinants of dynamic pricing premiums in Major League Baseball." *Sport Marketing Quarterly* 22, no. 3 (2013): pp. 152-165, p.152.

<sup>&</sup>lt;sup>4</sup> https://www.iata.org/en/pressroom/pr/2008-31-05-01/

has caused a significant shift in the approach to ticketing that sport and entertainment venues and organizations have been utilizing. Although trends clearly demonstrate that more sport venues have been shifting away from physical tickets, many venues still allow for fans to print their e-tickets and present a physical copy to enter events.<sup>5</sup> However, because various league and governments have enacted policies to combat the spread of COVID-19 that require venues to move to digital ticketing in order to reduce contact between fans and staff members, these organizations have now been presented with the opportunity to fully make the transition into e-ticketing. From this, Samir notes that there are both positive and negative aspects of e-ticketing, and that it is important to consider the various ways in which consumers and the overall event experience may be changed by moving partially or fully into digital ticketing.

### **Benefits of e-ticketing**

To begin with, Samir highlights that one of the biggest advantages of digital ticketing systems is that it provides organizations with better control and understanding of the use of tickets by consumers, allowing them to better manage and price their inventory in real-time. Notably, organization such as Major League Baseball (MLB) in the U.S. quickly moved into digital ticketing as it provided teams with important data that allowed them to try and better understand consumer behaviors. That is, where traditional paper tickets allowed organizations to count the number of fans who used tickets by counting the number of physical tickets that were taken at gates, digital ticketing provides much more in-depth information in regards to when a fan bought the ticket, what specific location (entrance gate) that they used to gain access to the sport facility, as well as the precise time when they arrived. As such, digital ticketing increased

<sup>&</sup>lt;sup>5</sup> Olson, Eric. "That's the ticket: Move from paper to digital divides fans." Associated Press. August 26, 2021. https://apnews.com/article/sports-college-football-technology-lifestyle-nebraska-cornhuskers-football-5cfcec9bfa9a042d653d239cfc6cc1fc

the amount of data that organizations were able to collect about their fans, allowing for them to improve decision making in relation to events.

Samir notes the use of e-ticketing by sport and entertainment organizations has also been renowned for its ability to enhance relationships and engagement with customers in a number of ways. As previously noted, because digital ticketing systems are able to provide the precise time and location at which fans used tickets, it allows for those venues to identify points where fans were more likely to enter facilities, and thus increase staffing at these location to ensure a smooth and steady flow of attendees. As such, this creates an improved experience for customers attending events, as it helps venues to reduce waiting times for fans in regards to entering the facility, as well as waiting for other services such as bathrooms and concessions. Indeed, research has highlighted that the longer fans wait in line at events, the more likely they are to be dissatisfied and complain about the customer service experience at a sporting event.<sup>6</sup> As such, the use of e-ticketing provides organizations with better data in terms of the flow of traffic within a venue, and thus enhance the service quality and improve the customer experience throughout the duration of the event.

Samir notes that this data is also important because it can utilized beyond just event staffing and traffic flow. Specifically, by knowing the location where certain fans enter, it also provides organizations and venues the opportunity to develop a more personalized approach to engaging and interacting with fans. Notably, sport organizations are often highly concerned with the number of "**touch points**" – the places where staff come into contact with fans – as studies have demonstrated that these interactions are often critical in not only getting customers to come back to future events, but also offer critical spaces through which an organization or venue can

<sup>&</sup>lt;sup>6</sup> Baker, Thomas, and Scott A. Jones. "The inevitable queue: Exploring the impact of wait time at sporting events." *International Journal of Sports Marketing and Sponsorship* 13, no. 1 (2011): 44-54, p. 44.

promote future products and services to its customers.<sup>7</sup> Samir also point out that in the case of the COVID-19 pandemic, having data from digital ticketing systems also provides an important way through which to potentially mitigate the transmission of disease. As the information provided by digital ticketing systems can show the locations where fans are likely to mass and come into contact with other fans or staff members, this data can be used to develop plans about how to have fans enter a facility, travel through the venue to get to their seats, as well as be able to move around during an event to get the services they need. Moreover, such can also be shared with authorities in the case of an outbreak, and notify individuals that they may need to get tested and quarantine because of potential exposure to COVID-19.

## Potential issues with e-ticketing

Moving along to some common issues of e-ticketing, Samir notes that there has been significant changes in the adoption rates of customers who are using digital tickets on mobile devices to enter sport and entertainment events. Data from the U.S. ticket marketplace SeatGeek showed that in 2012, only 7 percent of tickets were bought using mobile devices, but that by 2019, this number had increased to 68 percent. Thus, in less than a decade, the majority of consumers attending events had moved from predominantly using desktop computers to purchase tickets and then printing them out on paper, to purchasing tickets on mobile devices and then using those same devices to have the e-tickets scanned to enter an event. Samir notes that while this data shows that consumers have been shown to be able to make a significant shift from paper to digital tickets, the process is not an immediate one.

Indeed, one of the biggest issues with moving to e-ticketing is in the adoption rate from consumers, who are often resistant to changes in the way in which products are delivered. Samir

<sup>&</sup>lt;sup>7</sup> Yoshida, Masayuki. "Consumer experience quality: A review and extension of the sport management literature." *Sport Management Review* 20, no. 5 (2017): 427-442, p. 427.

states that while sport and entertainment organizations have been successful to convert consumers to using digital tickets, the process of introducing the technology to fans takes many years during which there is the need to inform, educate, and encourage fans to make the conversion to e-ticketing.<sup>8</sup> In this sense, for an organization to introduce digital ticketing systems can be rather costly in terms of the time and investment needed to get fans to fully buy in to the adoption of this new technology.

Another major issue with the conversion from paper ticketing to e-ticketing is the interest, sentimental value, and comfort that fans have with traditional paper tickets. Samir highlights that for some fans, tradition printed tickets not only hold value in terms of entering an event, but also in being a souvenir that they can keep to remind them of the event and all of the emotions they experienced while in attendance. In this sense, many fans are against the move to digital ticketing because of the value that they place on printed tickets. Additionally, requiring all fans to use digital tickets can also exclude certain individuals from being able or interested in attending events. For example, those who do not have access to mobile devices, or are not comfortable using them are less likely to purchase tickets when teams only offer e-ticketing. To get around this issue, Samir highlight that while most sport teams in the U.S. have moved to using digital ticketing, most of the organizations still offer to print tickets for fans who prefer to have a physical copy of their ticket after purchasing through an e-ticketing system.<sup>9</sup>

### Best practices for introducing e-ticketing

<sup>&</sup>lt;sup>8</sup> Baker, Kendall. "The death of the paper ticket for sporting events." Axios, December 10, 2019.

https://www.axios.com/sports-tickets-paper-digital-19d71f8d-c146-4873-8a83-50de1fbbb25e.html <sup>9</sup> Olson, Eric. "That's the ticket: Move from paper to digital divides fans." Associated Press. August 26, 2021. https://apnews.com/article/sports-college-football-technology-lifestyle-nebraska-cornhuskers-football-5cfcec9bfa9a042d653d239cfc6cc1fc

For the next part of his presentation, Samir moves into a discussion on the best practices for organizations that are looking to move into using digital ticketing systems. Considering the previous discussion on issues and benefits of e-ticketing, Samir notes that organizations that have been successful in implementing digital ticketing systems have found there needs to be full buyin from a team and its employees in regards to implementing such technology. That is, if an organization is not willing to commit the time, financial resources, and employees to help make the system successful, then it is highly likely that there will be issues in getting fans to use etickets and result in dissatisfaction from consumers. As such, significant investment from an organization is required in order to have the computer systems and software installed to control and manage e-tickets, as well as in purchasing scanners to be able to accept digital tickets. Moreover, organizations moving into digital ticketing will also likely need to hire employees with experience using e-ticketing systems, as well as conduct training with ticket takers and ushers at events in order to ensure that they are able to properly accept e-tickets from fans.

Next, in order to ensure successful adoption of e-ticketing by fans, many organizations have highlighted that the best practice is to gradually introduce the use of digital tickets to fans over longer periods of time. Specifically, rather than try to get all of the fans who attend games to move from physical paper tickets to digital versions at the same time, sport and entertainment organizations have used a phased approach where they identify either certain consumer segments or sections of a venue to be the first to start using e-ticketing. This practice is beneficial for a number of reasons. To begin with, because it takes a lot of time to train staff and fully implement an e-ticketing system, by focusing on smaller groups of fans it allows the organization to do a smaller scale rollout of their digital ticketing systems. In this manner, if there are any issues or problems that need to be fixed, rather than have all of the consumers who attend games be

affected, only a small group will have issues, which can then be quickly remedied by the organization. Furthermore, by using a phased rollout, it also allows an organization to have an evaluation period where they can survey consumers who are using e-tickets, and consider the level of satisfaction among customers, and thus improve the system to provide both current and future users of digital tickets a better experience. Finally, by using a phased rollout, it also provides the ability for consumers to slowly become more comfortable with the use of e-tickets, as they see other customers using the technology, and thus will be more willing to also use digital tickets in the future. Moreover, as certain fan groups gain proficiency with using digital ticketing systems, it is not only the case that they will be more likely to use them, but also will be able to help the adoption process by teaching other customers how to use e-tickets.

At this point, Samir notes that while the best practice would be the phased introduction of digital ticketing systems, because of the changes brought along by the COVID-19 pandemic, it is now the case that many organizations have been forced to move all of their customers into using digital tickets. Samir highlights that this presents both opportunities and threats for organizations that are just entering or are still early in the adoption process of using e-tickets. With the requirement that all fans use digital tickets to reduce the potential for the transmission of COVID-19, it is no longer the case that organizations can use a traditional phased transition into e-ticketing, and thus this presents greater potential for consumer dissatisfaction or other issues that could arise from the use of only digital tickets. However, Samir also argues that while this could present a threat, because most leagues also required stadiums to operate a reduced capacity, it actually presented an opportunity to use a modified phased adoption, as those who were first allowed into games would be the initial test group to use the digital ticketing system.

needed to be made during the pandemic to all functions of everyday life, organizations and venues have been presented an opportunity to further integrate e-ticketing and other digital systems into their operations. In this, by moving into e-ticketing during the pandemic, it provides potential for organizations to get customers to become more accustomed to using digital platforms, while also ensuring a safer sport and entertainment experience to protect attendees at events. Specifically, Samir highlights that many venues have merged the scanning of e-tickets with thermometers and sanitizing stations at all entrances, allowing the same number of staff members to continue to admit fans to events and handle COVID-19 countermeasures all at the same time.

# **Importance of Ticket Pricing**

Following his discussion of e-ticketing, Samir moves into a review of the importance of ticket pricing during the COVID-19 pandemic, especially for those in sport and entertainment management. Samir begins by acknowledging that traditionally, revenue generated from live events, including tickets, concessions, and merchandise sales were the largest source of revenue for the top professional and collegiate sport teams in North America. Although this landscape has changed in recent years with the growth in broadcast and commercial revenues, it is still the case that tickets and other revenue from having people attend games is vital for the financial stability of sport franchises.<sup>10</sup> To emphasize this point, Samir points to evidence from the COVID-19 pandemic, where sport teams that had to play matches with either no spectators or a limited number of attendees are experienced drastic decreases in their total revenue.<sup>11</sup> In some

<sup>&</sup>lt;sup>10</sup> Brown, p. 237.

<sup>&</sup>lt;sup>11</sup> Reade, J. James, and Carl Singleton. "Demand for public events in the COVID-19 pandemic: a case study of European football." *European Sport Management Quarterly* 21, no. 3 (2021): pp. 391-405, p. 391.

instances, professional sport leagues had several billion U.S. dollars decline in revenue compared to previous seasons because of the inability of fans to attend games.<sup>12</sup>

Beyond the monetary importance that pricing tickets can have for an organization, Samir also notes that it is a critical part of the marketing strategy for sport teams. Notably, price, is one of the four P's of the traditional marketing mix (Product, Price, Place, and Promotion), that have been theorized to be the critical aspects of being able to entice consumers to make the decision to purchase a product. In other words, price represents the value that consumers attach to sport and entertainment products, and thus play a critical role in determining the interest from consumers. As such, sport teams should understand that there is somewhat of a balance that should be struck when pricing tickets to events, with special focus on weighing the organization's financial goals and strategies against the needs and desires of consumers. Hearing this, Mr. Ali and his staff note the critical need for them to improve their current pricing practices, especially as have had their revenues impacted by the pandemic. Although Mr. Ali notes that there are league rules and regulations about determining ticket price ranges, there is certainly room for his organization to improve the pricing practices in order to meet their strategic goals.<sup>13</sup> From this, Mr. Ali asks Samir to discuss some of the more advance ticket pricing strategies that are being used by professional sport teams around the world and how COVID may have impacted these practices.

### **Ticket Pricing Strategies**

Following the lead from Mr. Ali, Samir moves along to the next section of his presentation on the current state-of-the-art in ticket pricing strategies used in sport and entertainment management. To begin with, he first discusses the pricing strategy known as **Price** 

<sup>&</sup>lt;sup>12</sup> Reade, p. 392.

<sup>&</sup>lt;sup>13</sup> Soebbing, Brian P., and Nicholas M. Watanabe. "The effect of price dispersion on Major League Baseball team attendance." *Journal of Sport Management* 28, no. 4 (2014): pp. 433-446, p. 434.

**Dispersion**, where a product is offered to consumers at more than one price.<sup>14</sup> Notably, in the theater industry, the concept of price dispersion has been present for a long time, with theaters charging different prices to patrons based on whether they sat in the main section of the theater, the balcony (which is further back and thus offered at a cheaper price), or in boxes that had prime viewing and thus commanded a higher price for tickets than other sections. By introducing price dispersion, theaters were able to increase their revenue, as rather than give consumers a single option through which to purchase tickets, they were then able to provide a greater range of prices to consumers.<sup>15</sup> Moreover, as theaters understood how the proximity to the stage had greater value, these venues soon started offering not just three price levels, but a greater number of prices in order to better capture the value attached to each seat.

From the perspective of marketing and consumer psychology, adding more price levels were beneficial to sport teams as they were able to display the different values that various sections of a stadium had to consumers. Samir brings up the example of the Qatar Stars League (QSL), which he notes uses price dispersion in the pricing of tickets to their games. Specifically, he notes that there are three general prices at which tickets are sold: general admission (10 QAR), premium seating which is placed just to the right or left of the VIP section (20 QAR), and VIP seating including parking and hospitality for 50 QAR.<sup>16</sup> In this, Samir notes that this type of price dispersion is a smart tactic for attracting fans to games, as it provides different seating experiences to consumers at various prices. Thus, by following such pricing practices, the QSL is not only able to increase their revenues for each seat, but they are also able to better capture the different levels of demand from various consumer segments in the population.

<sup>&</sup>lt;sup>14</sup> Humphreys, Brad R., and Brian P. Soebbing. "A test of monopoly price dispersion under demand uncertainty." *Economics Letters* 114, no. 3 (2012): pp. 304-307, p. 304.

<sup>&</sup>lt;sup>15</sup> Soebbing, p. 435.

<sup>&</sup>lt;sup>16</sup> https://www.qsl.qa/en/news/e-tickets-and-season-cards

At the same time, by not fully understanding the value of price dispersion, Samir notes that many sport organizations still are not correctly pricing tickets to meet consumer demand for their product, and thus are potentially missing out on millions of dollars of revenue each season. For example, recent research examining the introduction and/or expansion of price dispersion in professional sport has found that the practice is linked to significant increases in revenue for teams.<sup>17</sup> Moreover, there are also strategic points when teams should try to introduce more price points, such as when moving into a new facility, as this allows for the inclusion of a greater number of prices without significantly changing the consumer expectations about the product. Finally, Samir highlights that the success of price dispersion has led to leagues and teams around the world changing their pricing practices, especially in offering a greater number of prices to try and better capture the various segments of consumers who may be interested in attending events. In this, he notes that COVID-19 pandemic presents an opportunity for organizations that are looking to make changes to their pricing strategies and structure, as the reduced capacity at events have changed the spacing and placement of fans within venues. As such, organizations have been presented with the ability to change the pricing levels and organization of seating sections within their stadium, and thus could use these changes to not only ensure proper distancing between fans, but also help to increase revenues after the pandemic.

Next, Samir moves along to discussion of some of the most complex ticketing practices that are being used in sport, entertainment, and other related industries. Following up on the concept of price dispersion, Samir introduces the concept of **dynamic pricing**, which is a relatively new practice where the price of seats are constantly changing based on various factors

<sup>&</sup>lt;sup>17</sup> Soebbing, p. 445.

that may impact the demand for an event.<sup>18</sup> That is, dynamic pricing is a way for teams to be able to constantly adjust the price of tickets (thus the name dynamic) for all seats that are still available for upcoming games.<sup>19</sup> In theory, teams could technically be adjusting the price of tickets every minute of every day before an event to try and capture as much revenue as possible, but typically this is only day a few times a day, as too much fluctuation could cause confusion among consumers.

Samir notes that dynamic pricing is typically used in conjunction with price dispersion, where ticket prices are set by section, and then teams go in and manually adjust the price of each tickets based on existing demand for the game in each section. In this, price dispersion provides another way for organizations to increase revenue by being able to constantly adjust prices based on existing market demand and other environmental factors that could influence consumer purchasing decisions.<sup>20</sup> To first try and get around the inability to respond to the actual level of consumer demand, teams started using the aforementioned practice of price dispersion, thus providing consumers different prices at which they could purchases tickets to games. However, over time it became clear to teams that they were missing opportunities to price tickets relative to demand closer to the date when a match was being held, and thus not maximizing the opportunities to maximize revenue from these games.

In response to these lost opportunities, sport franchises started looking to other industries to consider pricing strategies that would allow them to better respond to constant fluctuations in demand. Notably, they saw that other industries such as airlines were able to adjust the price of

<sup>&</sup>lt;sup>18</sup> Shapiro, Stephen L., and Joris Drayer. "A new age of demand-based pricing: An examination of dynamic ticket pricing and secondary market prices in Major League Baseball." *Journal of Sport Management* 26, no. 6 (2012): pp. 532-546, p. 532.

<sup>&</sup>lt;sup>19</sup> Drayer, p. 185.

<sup>&</sup>lt;sup>20</sup> Courty, Pascal, and Luke Davey. "The impact of variable pricing, dynamic pricing, and sponsored secondary markets in major league baseball." *Journal of Sports Economics* 21, no. 2 (2020): pp. 115-138, p. 116.

tickets for each seat based on the level of demand and other factors in the environment. To do this, they utilizes dynamic ticket pricing, where the price for each seat (or entire sections of seats) were able to be constantly changed by the organization that controlled the product. This was accomplished by using ticketing software that allowed organizations to see every seat that was in their inventory that had yet to be sold, and then adjusting prices based on current demand. From this, sport organizations quickly adopted such ticketing software to allow them to constantly fluctuate the price of tickets to matches, thus providing organizations with better control over their ticket prices. Such software usually is integrated with e-ticketing systems, and thus the movement into e-ticketing also provide organizations better ability to start using price dispersion. Overall, research into dynamic pricing has shown that organizations that utilized dynamic ticket pricing in sport often experienced significant increases in their revenue, highlighting the fact that pricing to current demand allows sport franchises to take into account current market conditions, especially in times where there is great uncertainty such as the COVID-19 pandemic. Moreover, where many believed that dynamic ticket pricing would just be used to raise the price of tickets to games where there was high demand, teams were also able to use these systems to lower ticket prices when there was lower consumer demand.

At the end of the presentation of pricing strategies, Mr. Ali thanks Samir for all of the helpful information. However, he poses an important question at the same time. He knows that the organization will need to move into using e-ticketing and restructure their price levels for during and after the pandemic. However, he is curious about ways in which the organization can make better decisions in terms of actually pricing tickets in order to help the club improve their financial stability during the pandemic.

### Conclusion

Following the presentation, Mr. Ali and his staff thank Samir for the important information that he has provided in regards to the implementation of e-ticketing, and various pricing strategies that could be used to help enhance the clubs finances at the same time. After discussion with his staff, Mr. Ali comes to Samir with a special request that he works with the staff at Mr. Ali's club in order to create a plan to implement e-ticketing in their organization in order to meet COVID-19 protocols, while also restructuring their ticket pricing strategies.

#### **Case Assignment Questions**

- 1. For the first part of your report, Mr. Ali asks you to draw up a detailed two-page plan on how to implement an e-ticketing system for his football club. Mr. Ali would like all customers entering events at his facility to do so using digital tickets, and asks that you detail in your report how to implement the e-ticketing system, including strategies to inform and educate fans about how to use digital tickets, as well as how to market the benefits of moving to e-ticketing in regards to the health of attendees.
- 2. For the second part of your report Mr. Ali asks you to select a few sport organizations within the MENA region and to analyze the e-ticketing distribution strategies that are being used by these organizations. In this, you should consider what practices have been successful in implementing digital ticketing systems in the MENA region.
- 3. Finally, Mr. Ali asks you to develop a comprehensive plan for the restructuring of pricing strategies for his club. In this, he specifically ask that you integrate your recommendations for implementing e-ticketing with the use of price dispersion and dynamic ticket pricing to help enhance revenues.

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# **Teaching Notes**

This case introduces the concept of e-ticketing and different ticket pricing strategies which are commonly used by sport teams and events in order to enhance demand and/or revenue from matches. Much of the focus of this case study is on how e-ticketing can be implemented by organizations during and after the COVID-19 pandemic, as well as how they may restructure their pricing strategies. The key points that learners will need to focus on in order to successfully answer the questions within this case are the concepts of: e-ticketing, price dispersion, and dynamic pricing. It is recommended that any instructors who utilize this case in the classroom, should use the accompanying powerpoint presentation to help introduce these concepts to learners. Additionally, learners can also watch the powerpoint presentation on their own, as there is a recorded lecture that goes along with the slides that will walk them through all of the concepts and calculations that are included within this case.

Overall, this case is designed to be flexible in how it is used by instructors and learners. Although the case presents mathematical calculations to help teach better decision making in terms of implementing e-ticketing and various pricing practices for tickets and other goods, it also provides in-depth details on other pricing strategies that are relevant to sport organizations. Moreover, as the pricing and sales of tickets is one of most important aspects of the sport business, this case is designed to be used in a range of courses, including those focused on venue management, customer service, revenue generation, marketing, finance, and other related subjects. Additionally, although the main case study includes questions to get learners to consider the implementation of e-ticketing, the presentation of the case material and the questions provided to learners can be altered to fit different levels of expertise and needs. For example, if an instructor and learners do not wish to introduce concepts such as the price

dispersion or dynamic ticketing pricing, they could instead focus on writing reports and analyzing how sport organizations have used e-ticketing and other pricing practices that are presented within this case study.

The main focus of this case can be divided into two main sections. The first is concerned with e-ticketing, and the best practices for implementation. The second part is focused on ticket pricing strategies, including price dispersion and dynamic ticket pricing. Turning focus to the e-ticketing portion of the case study, the case provides background information and history on the use of digital tickets, as well as benefits, issues, and best practices for organizations that looking to implement e-ticketing. The case also discusses how COVID-19 has impacted the ticketing side of the sport and entertainment industry, especially in regards to the implementation of e-ticketing. Additionally, the questions provided with the case study provide teachers and learners the opportunity to go deeper in their examination of e-ticketing, especially in writing up a report to discuss how e-ticketing should be implemented, as well as researching the use of e-ticketing in the MENA region. For those who wish to go further, additional (option questions) are provided at the end of this teaching case to allow for additional assignments that are designed to guide learners into deeper examinations of e-ticketing.

For the second part of the case, students are introduced to the importance of ticket pricing, as well as ticket pricing strategies such as price dispersion and dynamic ticketing pricing. Within the case, both the evolution of these pricing strategies, and how they are important in terms of enhancing revenues for an organization. In the main questions for the case, learners are asked to integrate their recommendations for implementing e-ticketing with the different pricing strategies. In this, learners are provided an opportunity to integrate the implementation of an e-ticketing system with new pricing strategies. For this, teachers have

freedom to stipulate whether they would like learners to answer these questions as if the club is operating during the COVID-19 pandemic, or to focus on the recovery process and operations post-COVID. This flexibility allows the case to fit the needs of teachers and learners based on the conditions of their own local region at the time they are using the case. Finally, additional (optional questions) have also been provided for learners who would like to go further in their examination of pricing strategies, and to research other practices used by sport and entertainment organizations to enhance revenues.

#### **Optional Questions for Learners:**

1. On your own, conduct research on the ways in which e-ticketing has been implemented in countries outside of the MENA region. For example, you could focus on professional leagues in North America or Europe, many of which have led the move into electronic ticketing. From this, you should write up your findings, and then compare and contrast these outcomes with the best practices from the MENA region.

2. Next, using the findings from the previous question, you should provide recommendations as to which best practices for e-ticketing might be adopted by organizations in the MENA region, and which ones might fail. Make sure to justify your answers, and consider various factors (consumer preferences, cultural, social, technological, resources) that may play a role in impacting a transition to digital ticketing in the MENA region.

3. Select a few sport organizations within the MENA region and to analyze the ticket pricing strategies that are being used by these organizations. In this, he asks to not only examine the price at which organizations are selling tickets, but also to examine whether they use price dispersion, dynamic ticket pricing, or any other special strategies or tactics.

4. Conduct research into other types of ticketing pricing practices and strategies that could be used to enhance the sales of tickets and revenue for a sport organization. Specifically, you should consider ticket pricing practices such as (but are not limited to): bundled ticket pricing, flexible (flex) ticket packages, as well as things such as promotions. Following your examination, write up a report discussing these pricing practices and how they might be integrated with the strategies discussed in this case study.