Case

10

Something for nothing: the free ticket myth

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Case Focus

This case successfully applies a newly forged theory of free ticket potential to a greyhound racing venue.

Keywords

- Greyhound racing
- Free tickets
- Promotions
- Spectator motivation
- Retail sampling
- Attendance marketing.

Case Summary

Despite a wealth of academic literature on sports marketing, scant regard appears to have been paid to an almost inevitable element of the event promotion mix – the distribution of free tickets. The few references tend to be dismissive of it as an old-fashioned, short-term solution to the problem of maximizing stadium attendance for profit. Far greater attention is paid to more sophisticated and exotic promotional tools. Yet the practice of free ticket distribution stubbornly refuses to die out; which begs the question: If benefit remains, how can we maximize it? To answer this, discourse from two distinct marketing sub-disciplines – the study of sports attendance motivation and retail sampling – is drawn together. These conclusions are illustrated in the context of a conservatively conducted field study, demonstrating that the proper application of this new theory does in fact increase attendance and drive profit.

Case Elements

The principle of paying for admission to elite sporting contests is well established and largely unchallenged by the community. The revenue that this generates represents a significant source of income for the host organization, and is justified to off-set the cost of event staging. Yet the majority of expenses incurred in the conduct of events are fixed, as opposed to proportionally variable to the number of attendees. Venue overheads, such as rent, utilities and upkeep, as well as production charges (e.g. player fees) are often the same regardless of whether 100 or 100,000 people attend. Although secondary, retail expenses (such as hospitality and merchandising) vary with patronage, these enterprises can be treated as separate business entities, with their own income that is closely linked to their expenses. It is therefore an economic statement of fact that the more paying customers an event can attract, the more profit it will generate. Indeed, after the break-even point is surpassed, nearly every additional paying patron is ‘pure’ profit, even before any contribution to marginal income that they might make through participation in secondary activities. Entry charge thus represents the greatest profit potential for an event host, and, as such, is often considered sacrosanct.

Nevertheless, there are a number of ways that a person can gain discounted entry to these same events, which is seemingly at odds with the above proposition. Certain classes of citizen are often regarded as having an entitlement to a discount; namely pensioners and children. Ticket bundling also occurs, with family, group or multi-visit specials on permanent offer. Event sponsors, stakeholders and members of the host body also receive an allocation of tickets that may be worth more than the prima facie financial contribution that they have exchanged. Finally, there are the 'freebies' – an allocation of tickets that have no obviously direct financial utility.

This case closely examines the rationale behind the distribution of these 'freebies'. There has been a surprising lack of research published into this field of enquiry, so it is necessary to draw together two distinct academic philosophies to provide a framework for the study. The first of these, the practice of retail sampling, is a well-founded marketing tenet, which is analogous to the practice of free ticket distribution. Secondly, an appreciation of how sport businesses distinguish spectator motivations is critical to understanding how the theory of sampling can be embraced therein. The application of this scholarship to a free ticket programme conducted at a greyhound racing venue is used to highlight the utility of these theories.

To preface this study, a survey of marketing managers across a broad cross-section of Australian professional sports was conducted. It found that there was a general lack of awareness of the potential benefits of free ticket distribution. For many organizations, the priority was to sell memberships or season tickets. Free tickets were seen as a distraction (at best) and a threat (at worst) to this goal – in fact, most respondents could identify at least two reasons for limiting the same. In order of frequency, the following themes emerged:

- Free tickets diminish the value of full price attendance.
- Free ticket redemption cannibalises paying attendance.
- Free tickets diminish the perceived value of the contest/sport.
- Free tickets are revenue neutral (and, implicitly, not worth the effort).
- Organizations lack the resources to properly employ and measure free ticket schemes.
- Some had poor past experience with free tickets.
- Strong current attendances were cited as a reason to do no more.

The almost universal perception was that free tickets have a positive short term and goodwill effect, contrasting with less-favourable long term and revenue consequences. All responding managers circulated free tickets; yet negligible strategic consideration or systematic review of organizational methodology was apparent. Most made the bulk of their distributions to sponsors, and it was clear that very few organizations had any interest in what happened to these tickets once they left the club's direct control.

Research Methods

The sports venue chosen to test the efficacy of a theory of considered free ticket distribution was Richmond Race Club (RRC), a well-established greyhound racing track in metropolitan Sydney, Australia. Although it has been successfully running greyhound race meetings on site for over 50 years, the Club has recently suffered the malaise affecting many wagering codes – waning consumer interest. The growth of off-course wagering and gaming alternatives, the diversity of leisure options, changing community attitudes and even social urbanization have all contributed to the decline of this once hugely popular blue-collar past-time.

Despite this, there has been almost no academic research conducted on the specific exigencies of greyhound racing. Limited study of the problems faced by the analogous industry of horseracing, however, identifies with some of the issues raised in the general literature on sports marketing. For example, quality of contest is an observable determinant of attendance, and the local presence of other professional sports has a negative effect on the same (Thalheimer and Ali, 1995). Social interaction, too, has been found to be the most influential attendance variable, above and beyond price, quality of contest and service standards (Brindley and Thorogood, 1998). From a marketing perspective, the sport is constrained by tradition and regulation in terms of the product it can offer, so sponsorship and promotional activity are seen as the keys to industry growth (Parker, 2000). Although this is by no means definitive, it all suggests that race wagering is an industry that, for the purposes of this research, will provide data consistent with the experiences of other sports. The only possible divergence is that for racing spectators the admission expense commonly represents only a fraction of their discretionary spending for the day. If anything, this suggests that cover charge is less of a barrier to attendance than it may be in other sports; therefore, free tickets are likely to be less successful here than in other contexts. The true effect of the proportional relevance of entry charge in more passive spectator sports, however, will need to be explored in future research.

At the time of the research, the club was conducting meetings every week on Monday at lunchtime and Friday evenings. A race meeting consisted of 10 races staged approximately 20 minutes apart. Patrons and participants alike were required to pay a five dollar ($5) entry levy, although club members, pensioners and children were admitted for no charge. There was an average of 175 paid admissions per Friday meeting, with just under 100 each Monday in the period of the survey. Once on-course, direct spectator revenue was derived in the main from bar and wagering sales, with incidental streams such as programme sales and vending making up the balance. Food catering leases and bookmaker stand fees (as distinct from totalizer revenue) were contractually fixed, so the club's income from this source was predetermined for the period in question, without regard to turnover.[1]

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[1]It is nevertheless assumed that should lessee turnover consistently increase as a result of any promotional strategy, then the club can negotiate more favourable terms for future leases. This would effectively 'lock in' the profit potential of, for example, free ticket redemption schemes.

RRC was considered ideal to test the applicability of free ticket distribution theory as it satisfied many of the necessary preconditions for control.

1 The brand (greyhound racing) and the product (meetings at RRC) were both well established within the community. This meant that their attendance was in the low category of spectator risk due to the familiarity of the sport.
2 The quality of contest was uniform from meeting to meeting; although Friday events offered larger-prize money and generally attracted better dogs. During the course of the research there were two feature events run, and the effect of free ticket distribution on popular, well advertised events could also be contrasted.
3 There was no change to the business or marketing activities of the club over the period, or from previous periods, with which the results would be compared. This mitigated the potential for other changes to the marketing mix – such as new (or reduced) advertising, public relations or promotions – to unduly influence research outcomes. The free ticket distribution strategy employed was a new expense of the club, which made it additionally easy to track.
4 There were no capital works or facility improvements programmed for the research period. This implied that there would be no skewing of results due to novelty; although, the substandard quality of spectator infrastructure was widely acknowledged as a disincentive to attendance.
5 All meetings were broadcast on the pay television network, Sky (into homes, totalizers and licensed premises), and free-to-air radio 2KY across the state. Industry and local press also covered events. This meant that feedback – albeit a subjective measure of quality rather than empirical quantity – could be received on things such as ambience, interest and other spectator dynamics. It also meant, however, that the effects of broadcast versus blackout could not be studied.
6 The authors had – with the leave of the Board – unfettered access to the club's financial records (past and present), channels of distribution, business plan and vision, as well as a good understanding of the current and desired demographics.

Strategy

Over 4600 business card sized free ticket vouchers were distributed to 563 businesses across two categories. On 1 February 2006, 478 members of the local Chamber of Commerce received six passes per business, and 86 licensed venues within a similar geographical radius received 20 passes each. A personalized letter was also sent to introduce RRC and invite recipients to either personally redeem or pass on the voucher as a staff or client reward. This was an unsolicited direct mail out to participants. The Chamber of Commerce distribution was seen to be a cost effective way of achieving a random sampling of the community, whereas the licensed venues – hotels and clubs – all had an on-premise totalizer which publicized and accepted wagers on RRC race meetings. It was therefore believed that this market segment might be predisposed to attend. A final 25 double passes were used by a local newspaper to promote one of the club's feature events in the survey period.

Each 'VIP Entry Pass' carried a unique serial number that was used to track the source of redemption, and, despite being valid for only three months, was otherwise unencumbered by restrictive terms and conditions. The reverse of the card demanded of users the most important piece of information for the validation of our theory – when the last time was that they visited Richmond Greyhounds. A first time attendee (one who checked 'never previously attended') was assumed to be someone who would not have come were it not for the fortuitous arrival of the free ticket. Someone who had attended within the last three months was generalized as a regular patron, and those within the 3–12 months band were supposed to be infrequent attendees. The fourth response – 'a long time ago' – implied that the redeemer had not been to the venue for one year or more, and was a lapsed patron. Despite the arguable accuracy of these assumptions, the logic was considered sufficient to advance the purpose of this study.

Each gate attendant was also instructed to gather some basic demographic information about redeeming patrons on the reverse of the card; namely, their gender, age (in the opinion of the attendant), time travelled to the venue, and the number of free and paid entries in their party. The relevance and effective use of this information is considered below in the discussion of results.

Results

Of the 4638 tickets distributed, 211 – or 4.55 per cent – were redeemed in the three-month window of validation. The results per distribution channel are tabulated below.

Chamber of Commerce	88/2868	3.06%
Pubs and Clubs	111/1720	6.45%
Newspaper promotion	12/50	24.00%
Total	211/4638	4.55%

The first goal of any free ticket distribution should be to maximize redemption, and this is considered more fully in the later discussion on profit. Nonetheless, it can be seen that a distribution to a market that is predisposed to attend (Pubs and Clubs) is twice as successful as a random allocation (Chamber of Commerce). This affirms the conclusions of Mullin et al. (1993) that aware non-consumers and media consumers of a sport are more likely to convert to light users – occasional patrons – than non-aware (or adverse) non-consumers, who are going to be better represented in the random sample.

The newspaper promotion, on the other hand, promised a free double pass to the first 25 people to phone the paper on the day of circulation. Mention of the promotion only occurred in the final paragraph of an article on a feature event, so respondents were at the very least media consumers of greyhound racing news, and more probably occasional or regular patrons. Indeed, on learning that the full allocation of tickets was quickly taken up, this author expected that most redeeming patrons would be familiar to RRC. The actual results were, however, surprising – not just because only 24 per cent of people actually made the effort to show up, but because only two redeemers admitted to coming to the venue in the last 3 or 12 months. The rest were evenly split between lapsed patrons – those who had not attended RRC for 'a long time', or first time visitors.

Despite being an almost after-thought in the design of this research, the limited newspaper promotion results point tentatively toward a number of interesting outcomes. Firstly, as sports managers, we often underestimate how many people follow our sport in the media just because it is there. Our readership may not necessarily be loyal, and is unlikely to protest our media absence, but they do represent a predisposed and accessible segment through which we can grow our patronage. Secondly, the framing of restrictions – in this case, by limiting the number of tickets available and linking them to a single event – can accelerate consumer interest and redemption intentions (Krishna and Zhang, 1999; Aggarwal and Vaidyanathan, 2003). Thirdly, the actual 'VIP Entry Pass' used in the newspaper promotion did not differ at all from the others issued, in that it was valid for a full three months; however, none was redeemed except at the meeting with which the article was linked. This is perhaps evidence that customers often assume terms and conditions that do not really exist, and reinforces the need to keep any free ticket restrictions simple and aligned with consumer expectations. Finally, by linking an effort of the customer with the relevant reward (i.e. call in to win), the something-for-nothing risk is mitigated and higher rates of redemption are achieved (Porter, 1993; Kivetz, 2005).

The total results of patrons' visit frequency (self-reported) were as follows.

First time visitor	83/211	39.3%
Within last 3 months	68/211	32.2%
Within 3–12 months	13/211	6.2%
A long time ago	36/211	17.1%
Unreported	11/211	5.2%

This shows that over half of the redeeming patrons were either first time or lapsed visitors to RRC. This is a great result when it is remembered that one of the anecdotally perceived risks of free ticket distributions is that they cannibalise already profitable markets. Multi-layered analyses of these results suggest further strategies to reduce this likelihood.

For Chamber of Commerce respondents, the mix was as follows (with relevant variations from the collated results bracketed).

First time visitor	41/88	46.6%	(+7.3%)
Within last 3 months	27/88	30.7%	(–1.5%)
Within 3–12 months	8/88	9.1%	(+2.9%)
A long time ago	7/88	8.0%	(–9.1%)
Unreported	5/88	5.7%	

The random sample attracted the highest proportion of first time visitors, indicating that a free ticket alone can be sufficient to stimulate an otherwise unenthused potential patron. For a sporting organization hoping to enhance organic attendance growth, a random free ticket distribution may be a viable strategy. However, the high cost of distribution must be considered. Only 41/2868 (or 1.42 per cent) of Chamber of Commerce respondents were first time visitors; whereas 37/1720 (or 2.15 per cent) of Pub and Club patrons were the same. In that respect, a targeted strategy is preferred.

For Pub and Club respondents, the following was observed.

First time visitor	37/111	33.3%	(–6.0%)
Within last 3 months	39/111	35.1%	(+2.9%)
Within 3–12 months	5/111	4.5%	(–1.7%)
A long time ago	26/111	23.4%	(+6.3%)
Unreported	4/111	3.6%	

In this predisposed market, it is not surprising to see higher rates of redemption from frequent visitors; after all, those with a keen interest in the sport will frequent such venues when Richmond is not racing, and will be prominent beneficiaries of free ticket rewards. It is interesting, however, that the Pubs and Clubs achieved better returns from lapsed patrons. The authors assume that this is because those who have lost interest in attendance may still retain an interest in wagering off-course, and only need a gentle nudge to get them back to the venue. A more general conclusion that is supported by the literature reviewed may be that sporting organizations experiencing falling attendances can attract people back to stadia by targeting people with free tickets where they watch the game socially.

Of additional interest was the skewing effect of repeat ticket redemption over the three-month period. In the first month of the promotion, 114 tickets were redeemed, compared with only 97 in the final two months. In that first month, 58.7 per cent of visitors were first time or lapsed patrons, versus 50.5 per cent in the last two months. Patrons who had attended in the last three months (or presumed regular patrons) jumped from 23.7 per cent to 42.3 per cent over the same periods. Is this evidence of some first time or lapsed patrons liking what they saw and using a second free ticket to revisit, thus developing loyalty to greyhound racing? Or does this indicate that the promotional period was too long, and that only already loyal patrons benefited from the extended redemption window? Further research in this regard would be illuminating.

Other lines of enquiry can be compared to the 'base' crowd. Gender, for example, was split 3:1 males to females in redemptions, and there was no significant difference in the rate of gender redemption between the random and targeted distributions. Whereas this doesn't tell us much about free ticket distributions per se, it may indicate a prevailing community perception of greyhound racing as a male friendly or even male dominated past-time. This is despite a much more balanced mix (3:2) in established patronage. In that respect, a free ticket distribution may be a cheap and effective way of identifying general market sympathies – especially those at odds with intuitive or current experience – and direct more detailed research. The greyhound racing industry may in this instance recognize that this perception could be inhibiting attendance growth, look at why this is, and propose solutions for redress.

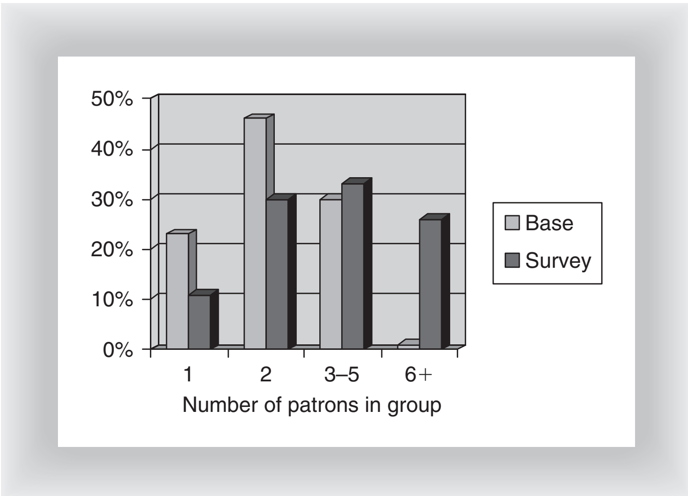

Figure 10.1 The base case parameters to compare rates of collective redemption. [AQ1]

Useful data was also gleaned from a review of how patrons collectively redeemed their tickets. Of note was the fact that not one 'VIP Entry Pass' user was reported to have brought a paying customer through the turnstiles with them at the time of redemption. Although the reliability of this information is in some doubt – this data set had an almost 50 per cent unreported response by the gate staff – it is not unreasonable to conclude that free tickets on their own do not significantly drive paid admissions at the point of conversion. Despite this, there was a marked difference from the base case in how patrons redeemed their tickets en masse. The Figure 10.1 uses the base case parameters to compare rates of collective redemption.

This shows that, given the opportunity, over 50 per cent of patrons preferred to redeem their vouchers in groups of three or more. In contrast, over two-thirds of paying customers either came individually or with a sole partner. Communal experience as a motivator for sports stadium attendance is thus affirmed (Hocking, 1982; DeSerpa and Faith, 1996), and it is not inconsistent to infer that group attendance may also mitigate the perceived risk of free ticket redemption, and stimulate secondary purchase intentions (Ho and Gallagher, 2005).

Finally, as previously mentioned, the Friday evening greyhound meetings had a higher quality of contest, and were no doubt more convenient for patrons to attend than the Monday lunchtime events. An overwhelming 86 per cent of redeeming patrons chose to use their voucher at the Friday events – this is in contrast to Fridays only contributing 65 per cent of current attendances. Indeed, 97 per cent of first time or lapsed patrons took the Friday option – the distribution of regular and infrequent attendees was much more statistically consistent with existing trends. For RRC the conclusion is inescapable – attendance growth will almost exclusively derive from Friday night racing. For free ticket distribution theory, quality of contest (Mason, 1999) and convenience (Pan et al., 1999) are important predictors of the rate of redemption.

Another interesting sidebar to this study is that free ticket redemption was maximized when supported by other event marketing. The two feature races heavily advertised during this period attracted one-third of all redemptions – the remaining vouchers were converted over a further 17 meetings. A free ticket distribution is therefore best employed as an integrated part of an overall marketing campaign, and is only of limited utility as a substitute for the same.

Profit

Beyond the hypothetical line of enquiry, it is of further practical importance to determine if it is *profitable* to undertake a distribution of free tickets to the market. Patronage 'profit' can be gauged with reference to the redeeming patron's frequency of attendance. If, for example, a patron is a first time or lapsed visitor according to their response on the reverse of the ticket, then they can be considered 'profit'. Someone who has attended within the last three months, however, must be thought of as having been likely to attend regardless of the offer. Although this is rather imprecise reasoning, especially in regard to those visitors who attended within the last 12 months, it will suffice when conservatively applied. Therefore, any redeeming patron who has attended RRC within the last year will be excluded from our final profit consideration.

The dollar value at which loss becomes profit is commonly known as the break-even point. For our purposes, the break-even point is the sum of the total expenses of the scheme. There are two categories of cost associated with break-even analysis: fixed and variable. A variable cost is one which varies with the level of project activity. For example, if our free ticket project demanded hiring casual staff, opening previously unused parts of the venue, or otherwise consuming a proportional share of organizational resources, then they need to be considered in determining the point at which profit is achieved. A fundamental problem with RRC was, however, the under-utilization of necessarily deployed resources. As a case in point, it was necessary to staff both gates for the duration of a race meeting, even though the staff could have quite easily managed two- or even three times the volume of customer traffic. Similarly, the lights and air-conditioning ran at their full capacity regardless of the fact that the main viewing lounge was only half-full. To that end, it was well within the variable cost capacity of RRC to manage even a significant fluctuation in patron numbers. The variable costs associated with this promotion were therefore immaterial to its profit – this point is raised because it is not a universal truth, and may be critically relevant to subsequent applications of free ticket schemes.

This simplifies our ability to measure the profit of the project. The fixed (and total) costs for this project are shown in the following table.

Database acquisition	$150	
Postage and distribution	$350	($500)
Ticket design and printing	$450	
Management labour (20 hours)	$700	$1650

The database acquisition expense is the cost of joining the local Chamber of Commerce, thus gaining access and usage rights to their membership directory. And although the cost of designing and printing 5000 vouchers was met by the sport's peak body in return for their logo appearing prominently on the voucher, it is considered a real cost for the academic purpose of evaluating profit. Nevertheless, this use of co-sponsorship remains a viable means of lowering the break-even point of free ticket distribution strategies. The indirect cost of management labour component is also considered, even though it is an expense that would have been incurred regardless – it is illustrative, however, of the level of effort necessary to deliver the programme. Note, too, that $1650 compares favourably with the cost of other promotions that require a high-incentive giveaway and/or significant advertising media. Although it is beyond the scope of this research to compare and contrast the efficacy of free ticket distributions with other promotional strategies, this is strong evidence of its cost competitiveness.

There are two material streams of secondary (i.e. post-entry) revenue available to RRC – bar and wagering sales.[2] Therefore, over the three-month period of the promotion, bar and wagering *profit* must increase by $1650 or more. It is important to remember that gains in turnover from these sources do suffer from variable cost increases, so this must be factored into any honest calculation. Without going into too much detail about the confidential commercial transactions of the club, it was found that 115 patrons would have returned $15.07 profit per head, or $1733.79 in this period, representing a +7.5 per cent return on total investment, or nearly 3½ times the real cost to the club ($500).

[2] Merchandise (race programme, snack vending and other miscellaneous sales) are of limited material relevance to this project, mainly because of their low unit cost, insignificant turnover and very low-profit margins (<10 per cent).

Therefore, without considering the positive effect of unreported patrons who meet our criteria, secondary sales increases across marginal lines, and Monday meetings, the free ticket distribution was financially profitable on its merits. The anticipated but less tangible benefits of potentially loyal patron conversion, intra-audience effect and goodwill should only enlarge the margin of yield.

Case Diagnosis

The unsold seat is an increasingly untenable concept in the business of sports entertainment. For that reason, marketers are altering their selling theories not only to avoid losing unit sales and the supplementary revenue they drive, but also in order to aggressively compete in the broader leisure and lifestyle category (Burton and Cornilles, 1998). Personalized selling to differentiated market segments, novelty in promotion and the add-on stadium experience are *de rigueur* in this age of profit imperative. Yet despite this focus on incremental sales strategy, scant regard appears to have been paid to an inevitable element in the mix – the complementary potential of free ticket distribution.

This paper has challenged the widely held (but apparently unsupported) assumptions of sporting managers that free ticket distribution is either a short-term strategy to 'make up the numbers', a revenue neutral necessary evil, or the desperate act of a drowning organization. And while it is true that – casually applied – such a scheme can be all three things, it seems that many have lost sight of the profit potential, or why sports organizations started these programmes in the first place. To stimulate management action, or even mere diligence, in this regard, a number of recommendations are made for those charged with free ticket distribution. None is individually earth-shattering, and hopefully all pass an intuitive standard of common sense. And each can be applied as an incremental adjustment in thinking toward a more positive application of an established management process, rather than a major cultural shift or resource reallocation. The list – drawn from the indirect academic sources previously referred to – is by no means a finite template, and has only been partially tested by the forementioned case. It is expected that subsequent internal debate would and refine these recommendations to suit the organizational circumstance.

When to use Free Tickets

- When a predisposed but dormant market is identified and can be accessed (e.g. media-only consumers, fans of a complementary sport, lapsed patrons).
- To personalize or reinforce an advertised or other promotional message.
- When extrinsic barriers to redemption are minimized; although an appropriate intrinsic challenge may stimulate the same (e.g. an entry form or competitive process to 'earn' the free ticket reward).

- To introduce a new sports product or service.
- When the quality of contest is high and to the slight advantage of the home team (Knowles et al., 1992) – this strategy may be especially effective for building attendance when it would otherwise be negatived by live television coverage (Borland and Macdonald, 2003).
- To increase the convenience of attendance at the expense of other sporting events and leisure alternatives.
- When sponsors' interests can be aligned with the objectives of the scheme, thereby sharing costs and mutually extending profit potential.
- To artificially stimulate hype and subsequent home team advantage, word-of-mouth enthusiasm and player participation (Tapp, 2004).
- Service recovery – free tickets may compensate for poor quality of contest and/or poor spectator experience in spectators with low team or sport identification.

When not to use Free tickets

- Fans of the sport (as opposed to the contest) are predisposed to attend, regardless of the availability of free tickets (Wakefield and Bush, 1998).
- Free tickets should not be regularly or predictably accessible to the same market segments.
- Corporate, premium and other highly inelastic seating (e.g. sold-out segments) should not be given away except in exceptional circumstances.[3]
- New stadia benefit from their novelty and relative quality of facilities (Coates and Humphreys, 2005), and need not rely on free tickets to drive patronage.

How to Convert Free Ticket Redemption into Regular, Paid Patronage

- Encourage group redemption to gratify social need.
- Fans of other sports are more likely to be enticed by free tickets where the perceived quality of contest is high; although, the retention of such patrons is dependent on the on-going satisfaction of that expectation.
- The ability to deliver the same high-quality service received at the visit of redemption to future, paid attendances will predict spectator loyalty (Berry et al., 1990).
- Identification and analysis of redemption 'clustering' – by geographic, demographic and psychographic factors – can focus strategy and indicate future leveraging opportunities (e.g. membership and sponsorship).

[3] *Rule of thumb:* If a ticket can be scalped (on-sold, as opposed to passed-on), then it probably shouldn't be free, unless significant public relations value can be leveraged.

- Withdraw free tickets from the market when demand *exceeds* supply (not when supply and demand are in equilibrium).
- Prefer occasional free tickets to frequent discounted offers (Bawa and Shoemaker, 2004; Dawes, 2004).

Future Research

In challenging convention wisdom, one must be mindful of the fact that it remains an earned wisdom – regardless of the scholarly vacuum in which it appears to exist. Therefore, despite postulating some interesting theories, the limited scope of this investigation means that its recommendations are far from definitive. A number of aspects of the free ticket conundrum that invite future academic research include:

- Considering the effect of free ticket distribution schemes across different classes of attendance (e.g. under-subscribed premium seats versus accommodation in the outer/unreserved areas).
- Measuring the profit impact free ticket distribution on secondary income in other sports, especially where admission is the prime or only source of club revenue.
- Comparing the local results with the experiences of other (international) communities.
- Isolating the effect of free ticket redemption on the future purchase intentions (and actions) of patrons.
- Designing means for assessing and maximizing the goodwill and other intangible benefits of free ticket programmes.
- More detailed analysis of management understanding of the utility of free ticket distribution.

Individual sporting codes or clubs can also experiment to establish important quantitative benchmarks in their own free ticket schemes, such as 'tipping points'. For example:

- What percentage of the promotional budget is an effective spend on free ticket distribution (e.g. 14 per cent in retail marketing).
- How many event tickets should be allocated as free.
- An appropriate length of time for ticket validity.
- When should free tickets be withdrawn, and at what rate.
- What the measurable criteria for success are in free ticket distributions.

The most important conclusion for sporting managers should therefore be that free ticket distribution is as much a science as the other marketing sub-disciplines, and should be subject to the same rigours and scrutiny. Critically, any such strategy should be an evolving, on-going response to how each game is likely to self-satisfy its need to sell out, and be answerable to relevant performance criteria. It is hoped that further academic and organizational research along these lines will promote this aim.

Case Questions

1 Describe the free ticket distribution strategy of a sport or team that you are familiar with.
2 In what way could sponsors be used to leverage the benefits of a free ticket scheme?
3 Critically respond to the reservations of the sports marketing managers identified in the pre-study survey.
4 How could a sports organization use free tickets to promote community goodwill? (Hint: This strategy may differ in some respects from one designed to drive attendance traffic.)
5 Compare the pros and cons of free ticket distribution with discounted entry schemes.

Case Resources

Reading

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Author Queries

AQ1. Please cofirm the change of chart 1 to Fig 10.1
AQ2. Please note that Place of publication is not provided.
AQ3. Please note that Publisher name is not provided.