

Would teams dare change how season tickets are priced?

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Will the changing landscape of technology trigger a fundamental shift in pricing philosophy? Should it?

Matt Marolda, CEO of StratBridge, a software company that analyzes ticket sales and customer data, said Web-based technologies have laid the foundation for what he calls "dynamic" pricing for sports ticketing. And not just when tickets are re-sold on the secondary market.

Marolda thinks such market-based pricing could affect even season tickets. In his vision, prices for each game in a season-ticket package would move up or down throughout the season, based on team success, the opponent or other market forces.

"The notion that ticket prices should be rigid from some arbitrary date going forward, that seems a little artificial," Marolda said. "There is an awful lot of value that gets lost in the upside." He points to Yankees-Red Sox games as being, perhaps, underpriced by the teams at the start of the season.

Some teams already sell single-game tickets at differing prices, but such "variable pricing" is set at the start of the season. For example, this past season, a Buffalo Sabres club ticket against the Toronto Maple Leafs sold for \$150; against the lesser Nashville Predators it was \$72. But, for season-ticket holders willing to make an investment in the entire season, the club ticket for all games cost \$69. Also, some teams offer plans in which consumers wanting tickets to the most desirable games have to purchase tickets for one or a few less-desirable dates.

Some people in the ticketing industry say Marolda's proposal for dynamic pricing for season-ticket holders is off base.

"It's outright dangerous for teams," said Frank Luby, of Simon-Kucher & Partners, an international firm that has consulted the Toronto Blue Jays on ticketing.

Luby said that a set value on a game ticket in a season-ticket bundle is "essentially a hedge. The team is protecting itself from a big downside. Of course, you're sacrificing some upside that may be there. But the dream that [Marolda] is trying to sell is you have a breakout season. ... The fact that this is all technologically possible is beyond the point. If you turn the market loose on [season tickets] you're inviting disaster."

Marolda acknowledges that sales and retention of the season-ticket holder are core strategies for teams. "Season-ticket holders as we know them are probably not going anywhere soon," he said. "This base of recurring, predictable revenue is pretty tantalizing."

Of course, the burgeoning secondary market via StubHub, eBay and teams' own Web sites encourages auctions for hot tickets, and many of those on the resale market come from season-ticket holders. Teams see the prices their tickets fetch on the secondary market and are looking for ways to get a piece of the action.

In Marolda's brainstorming, the seasonlong customer would buy "rights" and contribute to a prepaid "account," rather than purchase tickets for every home game. The rights could include discounts on some games and perks, such as parking or concessions discounts, he said. As pricing fluctuated, the seasonlong customer would purchase tickets and draw down on his account. Transactions would be Web-based.

It may sound far-fetched, but in the ever-changing world of ticketing, "never say never," said Chad Estis, the Cleveland Cavaliers' chief marketing officer. "A few years ago variable pricing and teams endorsing the secondary market were widely scoffed at. My, has that changed."



Arizona Cardinals fans sign up for the waiting list for season tickets. Would they be so eager if "dynamic pricing" allowed teams to alter ticket prices for games as the season unfolded?