

Case study analysis

[Business, Management](#)



Case Study Analysis Introduction Secondary ticket industry is growing at a significant rate. The secondary ticket market includes each and every ticket transactions where the sellers of the tickets resell several previously purchased tickets this selling process is generally not officially accepted or affiliated by the team or league. Rise of secondary ticket market is affecting the profitability and brand value of several leagues and sports teams. It is clear from the case study that the teams in NFL are facing several critical issues due to growth of secondary ticket industry. Issues and Problems It is true that the pricing of tickets is influencing by the organizational and economical factors along with the perceived value of the spectators. National Football League is the most popular and leading sporting event in United States. It is a seasonal event. Day-by-day, the popularity of this event is increasing significantly. Looking into these aspects, the brokers used to purchase large number of primary tickets from the ticketing management organizations of the league or several NFL teams. It is actually affecting the image of the organizations and team managements. Brokers or ticket agents generally sell these tickets to the spectators based in higher price comparing to the developed price by the organization. The price of tickets is generally set depending on the previous year's success, income, profit, revenue and demand of customers. This secondary ticketing process is making it difficult for the target audiences to buy the tickets at same price that is developed by the team management. The existence of ticket agents or brokers or the scalpers are forcing several National Football League Teams to keep low face value of the tickets. These are creating several issues and challenges. First of all, it is affecting the profitability of the organization. Secondly, it is

frustrating the target customers and sports lovers. This issue can create several negative perceptions in the mind of target customers about the image of the NFL teams and their team managements. The management of the ticketing organizations implemented online auction of the tickets due to high popularity of National Football League. It was important to balance demand and supply factors while distributing tickets. The teams failed to balance the number of ticket sold with the seat capacity in a stadium. As a result, it creates miscommunication among the organizational management and spectators. Organizations used to introduce tickets according to the demand of people. But, the management does not consider the seat capacity of stadiums. On the other hand, the ticket agents used to sell ticket in higher price comparing to the primary ticket price. This aspect is forcing the management to introduce more tickets to increase profitability. There are different play offs in the NFL league (Drayer, Stotlar & Irwin, 2008). It has been identified from several surveys that the price of tickets and revenue increases at a rapid rate in each play off. On the other hand, each and every secondary distribution channels either offline or online, has various factors that influence the ticket pricing strategy. Analysis and Evaluation It is clear from above discussed issues and challenges that inadequate management process and growth of secondary ticket industry is making it difficult of the teams to keep appropriate face value of the tickets. In addition to this, high demand of the people is motivating ticket agents and brokers to resell the tickets. They used to buy from the counters at face value and sell the tickets at higher price. The organizations lose their controls on demand and supply due to this issue. In addition to this, several agents use online promotional

and sales strategy to sell out all the purchased tickets. Lack of balance in demand and supply develops several issues and problems. Several spectators, who used to buy seasonal tickets at higher agent price after waiting for a long time, cannot get admission in the stadium due to no availability of seats. These things can affect the business process of each and every NFL team as they might lose the trusts and support of their fans.

Conclusion The growth of secondary ticket industry is creating major issues and challenges for the NFL teams and ticketing organizations. The organizations and management are finding it difficult to balance supply and demand of tickets due to low stadium capacity, high market demand and high value of secondary tickets.

Recommendation First of all, the organization needs to limit the supply activities of tickets. Secondly, the teams need to restrict the activity of the ticket agents. According to the newly developed policy, an agent cannot sell ticket more than a given or fixed number.

Reference Drayer, J., Stotlar, D., & Irwin, R. (2008). Tradition Vs. Trend: A Case Study of Team Response to the Secondary market. *Sport marketing Quarterly*, 17(4), pp. 235-240.