Analytics in sports

Ticketing is the cornerstone of sports business and whether it's defining pricing, packages or exploring value-added opportunities to enhance the customer's experience, this support function is experiencing significant technological and analytical growth as the ticketing landscape continues to mature. In June, 2013 Michigan Athletics transitioned to a dynamic ticketing model and while they're not the first university to adopt the approach, they may be the most high profile of a group that includes Cal, Georgetown (basketball), South Florida and Washington.

Companies like Cue and Doggone are currently applying infrastructure to these clients allowing them to adjust single-game ticket prices upward or downward based on real-time market conditions, particularly weighting fan demand and ticket scarcity. The concept of dynamic pricing has been widely used throughout the travel Industry and is gradually evolving into the standard for sports and entertainment. Hunter Location, chief marketing officer for the Wolverines, noted that the department could generate up to nearly $1 million in additional revenue.

While letting market value dictate how much fans are willing to pay to attend a game, there has been no shortage of backlash from the general public (note, dynamic pricing for JIM Athletics applies only to single-game tickets, not season tickets). Some have expressed concern that such models price out diehard fans by empowering only those with means to attend such marquee matches (Notre Dame, Nebraska, Ohio State In 2013). The needle can obviously shift both ways but many fear that Michigan has become a lordlier broker and middle man.

Fact of the matter Is, the Michigan Athletic Department budget for fiscal years-2014 Is $137. 5 million, with Just under a third of that being a derivative of football-related revenue ($85. 2 million In 2012)1. If you compare the most profitable football programs In the country to those with typically higher average ticket prices, more than half of them appear In the top 15 of both lists, underscoring the need for ticketing revenue to be a backbone for many unlettered o fund the entire athletic profile of a university.

According to Cue. Net (the Infrastructure supplier for Michigan Athletics), " 50% of tickets are never sold, while 10% are resold for twice face value. " The primary difference with dynamic models Is now Instead of the secondary vendor (or scalper) receiving added Income from Inflated prices, the school will. Further, It encourages fans to donate to a multiversity athletic entity and climb the " hierarchy' for season tickets that would come at " face value. "