The Effects of Pricing Format on Ticket Purchasers’ Response

Armin Marquez, Georgia State University
Beth A. Cianfrone, Georgia State University
Stephen Shapiro, University of South Carolina

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The sport ticketing marketplace has shifted to digital ticketing, and sport organizations often partner with official online ticket distributors (e.g., Ticketmaster) and secondary market companies (e.g., StubHub). Surcharges, like processing and convenience fees associated with purchases, are prevalent and raise the end cost (Litan, 2019). In general, there are two leading pricing practices: all-inclusive pricing (AIP), where the full price of a ticket, including fees, is shown to a potential consumer in total, and partitioned pricing (PP), where the cost of a ticket splits into a base price and fees (Voester et al., 2017; Xia & Monroe, 2004).

Anchoring and adjustment models, which suggests the consumer’s attention fixes on an initial value (i.e., the anchor), and then adjusts based on additional information (i.e., surcharges) that may aid in the decision-making process, serve as a theoretical foundation (Tversky & Kahneman, 1974; Yadav, 1994). Several consumer behavior researchers studying pricing have shown customers react differently to PP and AIP (e.g., Lee & Han, 2002; Morwitz, Greenleaf, & Johnson, 1998; Xia & Monroe, 2004). Therefore, the purpose of this study was to examine the potential effects of PP on sport consumers, specifically spectators’ price recall, perceived value, and search intentions when purchasing digital tickets. We also explored the moderating effect of consumers’ level of team identification and price levels experienced during the purchase. These outcomes of exposure to different pricing structures and interaction effects have yet to be measured concurrently.

Participants (N = 949) completed a 32 item online survey distributed through Amazon’s Mechanical Turk. To evaluate the effects of pricing formats on sport consumers purchasing live sporting event tickets, we conducted a 2 (PP and AIP) x 3 (price level 1, price level 2, and price level 3) x 2 (low and high team identification) experimental design. Participants considered an online ticket-purchasing simulation to attend a MLB game. To determine the overall differences in mean likelihoods between the PP and AIP groups, we performed a MANOVA. Subsequently, three 2x3x2 factorial ANOVAs tested differences in mean scores of the three dependent variables for each treatment (i.e., PP and AIP) and the potential moderators.

A statistically significant MANOVA effect was obtained [F(3, 945) = 5.84, p = .001]. The main effects ANOVAs between the PP and AIP groups for price recall [F(1, 937) = 6.37, p = .012, h^2 = .007] and perceived value [F(1, 937) = 12.45, p < .001, h^2 = .013] were significant, with the PP group reporting lower total cost recall, and lower perceived value. However, the search intentions of PP and AIP groups were not statistically different. The non-significant moderating impact of price level on price format effects was surprising and contradicted previous research (Chakravarti et al., 2002; Sheng et al., 2007; Xia & Monroe, 2004). Likewise, team identification failed to moderate the pricing format’s influence, contradicting previous research exploring consumers’ attachment to brands (Morwitz et al., 1998). A discussion of the findings will consider both theoretical and managerial implications.