

**Case Study
Teaching Note:
Attendance
and Revenue**



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Football Attendance and Revenue: Teaching Note

This case is an excellent representation of the complexity and multi-faceted nature of the business problems that athletics directors encounter in the modern era of college sports.

A good way for readers to solve these complex problems is to break them down into their component parts and tackle each individually, while also being mindful about how each part of a problem interacts with the others.

There are several possible pathways forward for Janice Rogers and there is not necessarily a single correct answer, so readers should be encouraged to consider multiple solutions when discussing this case.

Breaking down the revenue generation problem

The central issue in this case is related to the revenue stream generated by football ticket sales. Jones University must find ways to maintain football revenue growth, despite headwinds that are negatively impacting ticket sales and attendance.

The importance of maximizing revenue from football tickets is underscored when taking into consideration the long-term uncertainty about media rights value, which has been a primary source of revenue for Jones in recent years but may not grow in the future.

Also, the case calls into question whether Dwight McDonald, the Senior Associate AD for external relations at Jones, has a suitable skill set for modernizing the ticket sales operation. McDonald is an experienced staff member and has an extensive background in development along with the responsibility of managing relationships with important Jones donors. Rogers needs to take all of these factors into consideration when evaluating whether the people and staffing model she has in place are suitable.

Readers should be asked to identify four main levers that can be pulled to increase ticket-related revenue in this situation, and then work through the viability of each:

- 1. Increase sales volume.** The current sales staffing model at Jones features three salespeople who report to the Director of Ticket Operations. This staffing model is likely insufficient for driving additional sales volume. More sales reps are needed, an experienced sales manager is necessary to maximize staff performance, and the compensation structure for the sales reps needs to be changed so they can be paid a conventional commission.

If a commission-based compensation structure is not possible because of university policy, or Rogers cannot make the necessary staffing additions, she should evaluate the viability and economics of outsourcing ticket sales. She will need to decide whether to deepen the existing Jones relationship with the existing third-party rights holder (XYZ Sports) and pay a higher sales commission, or to enter a relationship with a competitor (ABC Sports) for a more efficient commission. There are tradeoffs for pursuing each alternative.

Rogers must also decide whether Dwight McDonald can oversee the necessary changes in

ticket sales. He is an experienced staff member who has spent most of his career in development, and she would need to feel confident that he is able to lead changes at Jones so it can execute its ticketing business in a new and professionalized way.

2. **Increase the price of tickets.** Jones ticket prices have been raised 5% annually over the past three seasons, and it is not likely that fans will willingly accept another across-the-board price increase. However, Rogers and her staff could review secondary market information to see if additional price increases are possible in the most demanded and premium sections while leaving other sections unaffected. Fans in premium areas tend to be less price sensitive, and non-trivial price increases in higher-priced sections can occur at a lower percentage of the overall price. In addition, Rogers and her staff should explore various [methods of variable and dynamic pricing](#) to optimize revenue for single game and group sales for the games that are most in demand.
3. **Increase donation amounts associated with priority seats.** This might not be a very good option to pursue, especially given the recent tax law change that eliminates the deduction on seat-related gifts.
4. **Increase the number of seats that require a priority seat donation.** Again, given the recent tax law change, this might not be a good option to pursue in the short term. However, only 10% of the seats for Jones football games require a priority seat donation, which is well below the proportion found at comparable FBS programs. Expanding the proportion of seats that require a donation might be an option in the future.

Ensuring that important relationships and partnerships remain strong

Other dynamics embedded in this problem are about internal and external relationships. Readers should be asked to identify the relationships and partnerships that Rogers needs to capably manage through this situation, and to suggest appropriate means for doing so.

The case explains how Coach Driscoll is frustrated by the attendance challenges at Jones and feels they are beginning to negatively impact recruiting. Rogers needs to ensure that her partnership with Coach Driscoll remains strong by being attentive to his concerns. She should communicate with him in detail about any changes that are planned and explain the specific steps that the external relations staff is taking to professionalize the ticket sales operation.

Additionally, Rogers must be mindful of the concerns of her top donors, who are very important partners in the effort to build and maintain a championship football team at Jones. Precisely how Rogers should communicate with each donor about this issue is dependent on the nature of her existing relationships and how informed each donor is about athletics department operations. Some top donors can be very interested in how the athletics department operates and would appreciate a detailed discussion about the business aspects of the situation. Others would appreciate a simple reassurance that their concerns are heard and are being addressed.

Conclusion: Modern Athletics Directors must be exceptionally versatile

This case illustrates to readers the multi-faceted nature of problems that can confront athletics directors in modern college sports. This situation requires that the athletics director consider the best approach for driving ticket revenue growth, assess whether experienced staff members are able to lead in a changing environment that requires new approaches, and manage important relationships with coaches and donors. It requires advanced skills in business strategy, people management, and relationship building. Hopefully this case helps illustrate to readers the versatility required for effectiveness in the modern athletics director role.