

Examining the Effects of Ticket Bundling Strategies and Team Identification on Purchase of Hedonic and Utilitarian Options

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Abstract : Bundling strategy is a common marketing practice today. In the past decades, both academicians and practitioners have increasingly emphasized the strategic importance of bundling in today's markets. The reason for increased interest in bundling strategy is that they normally believe that it can significantly increase profits on organization's sales over time and it is convenient for the customer. However, little efforts has been made on ticket bundling and purchase considerations in hedonic and utilitarian options in sport consumer behavior context. Consumers often face choices between utilitarian and hedonic alternatives in decision making. When consumers purchase certain products, they are only interested in the functional dimensions, which are called utilitarian dimensions. On the other hand, others focus more on hedonic features such as fun, excitement, and pleasure. Thus, the current research examines how utilitarian and hedonic consumption can vary in typical ticket purchasing process. The purpose of this research is to understand the following two research themes: (1) the differential effect of discount framing on ticket bundling: utilitarian and hedonic options and (2) moderating effect of team identification on ticket bundling. In order to test the research hypotheses, an experimental study using a two-way ANOVA, 3 (team identification: low, medium, and high) X 2 (discount frame: ticket bundle sales with utilitarian product, and hedonic product), with mixed factorial design will be conducted to determine whether there is a statistical significance between purchasing intentions of two discount frames of ticket bundle sales within different team identification levels. To compare mean differences among the two different settings, we will create two conditions of ticket bundles: (1) offering a discount on a ticket (\$5 off) if they would purchase it along with utilitarian product (e.g., iPhone8 case, t-shirt, cap), and (2) offering a discount on a ticket (\$5 off) if they would purchase it along with hedonic product (e.g., pizza, drink, fans featured on big screen). The findings of the current ticket bundling study are expected to have many theoretical and practical contributions and implications by extending the research and literature pertaining to the relationship between team identification and sport consumer behavior. Specifically, this study can provide a reliable and valid framework to understanding the role of team identification as a moderator on behavioral intentions such as purchase intentions. From an academic perspective, the study will be the first known attempt to understand consumer reactions toward different discount frames related to ticket bundling. Even though the game ticket itself is the major commodity of sport event attendance and significantly related to teams' revenue streams, most recent ticket pricing research has been done in terms of economic or cost-oriented pricing and not from a consumer psychological perspective. For sport practitioners, this study will also provide significant implications. The result will imply that sport marketers may need to develop two different ticketing promotions for loyal fan and non-loyal fans. Since loyal fans concern ticket price than tie-in products when they see ticket bundle sales, advertising campaign should be more focused on discounting ticket price.

Keywords : ticket bundling, hedonic, utilitarian, team identification

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