MOTIVATIONS OF PREMIUM SEAT BUYERS

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ABSTRACT

Allie Macaione: Motivations of Premium Seat Buyers
(Under the direction of Nels Popp)

As a result of increased operating expenses and decreased football game attendance, a growing number of athletic departments have opted to add or increase premium seating availability in their football stadiums. The purpose of this study is to gain a better understanding of purchase motivations of premium seat holders at collegiate football games, examine the relationship between buyer demographics and motivations to purchase premium seats, and compare perceived motivations of premium seat buyers with actual motivations of premium seat buyers.

Premium seat holders from a large, public Atlantic Coast Conference school were surveyed. Descriptive statistics found the most significant motivational factors for premium seat purchases are “upgraded services and amenities,” “brand image of the team,” and “value of exclusivity in the venue.” Data collected also indicated that, overall, sport professionals are wrong in their perception of premium seat buyer motivations.
To my boyfriend, Chuko, without whom this would have been completed months earlier.
I love you.
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CHAPTER 1

INTRODUCTION

Intercollegiate athletic departments face increasing financial challenges. In 2014, only 24 Football Bowl Subdivision (FBS) schools generated more revenue than they spent, according to the NCAA Revenues and Expenses of Division I Intercollegiate Athletics Programs Report. That same year, the average FBS school spent $14.7 million to help subsidize its athletics departments, up from a little more than $11 million in 2013 (Burnsed, 2015). It’s reasonable to assume the level of institutional support will not keep pace with the continued growth of athletic department operational expenses (James & Ross, 2004). As a result, athletic administrators are constantly seeking new revenue streams.

Including donations and other revenue sources, football brings in at least 65% of total revenue at major intercollegiate athletic programs (Tracy & Rohan, 2014). This reliance is alarming for athletic administrators given college football’s current trend of decreasing attendance. Home attendance at major college football games has declined for the fifth consecutive year. FBS attendance for home games averaged 43,496 fans per game in 2015, down from 44,190 in 2014 (Solomon, 2016). Lee Igel, professor of sports management at New York University, says “the experience of watching games in the comfort of your home on a big screen without the hassle at a stadium” is a significant factor to the decline (Koba, 2013, para. 6).

As a result of increased operating expenses and decreased football game attendance, a growing number of athletic departments have opted to add or increase premium seating availability in their football stadiums. These seating options allow sport consumers to enjoy
attending games, with all the comforts of watching from home. With this in mind, it’s critically important to better understand the premium seating sport consumer. Creating a demographic profile of current premium seat holders and having an understanding of the motivational factors that influence their purchases would allow sport administrators to target their most desirable audience, create better sales strategies, and improve the premium seating experience, thus increasing revenue and encouraging retention.

**Purpose of the Study**

The purpose of this study was two-fold: gain a better understanding of purchasing and renewal motivations of premium seat holders at collegiate sporting events and examine the relationship between buyer demographics and motivations to purchase premium seats.

**Research Questions**

1. What factors motivate college sport consumers’ decision to purchase premium seating?
2. How satisfied are college sport consumers with their purchase related to initial purchase motivations?
3. How do perceived motivations of college sport consumers’ decision to purchase premium seats compare with actual purchase motivations?
4. Is there a relationship between specific motivations to purchase premium seating and various demographic variables?

**Hypotheses**

1. The following factors motivate college sport consumers’ decision to purchase premium seating:
   a. Supporting the community
   b. Perception in the community
c. Access to upgraded service and amenities

d. Value of exclusivity in the venue

e. Entertaining new/existing business clients

2. A relationship exists between specific motivations to purchase premium seating and:

   a. Age
   b. Gender
   c. Alumni status
   d. Years of membership with an athletic booster club
   e. Years of premium seat ownership

**Definition of Terms**

- Sport Consumer: An individual who selects, purchases, uses, and disposes of sport and sport event related products and services to satisfy needs and receive benefits (Funk, 2008)
- Premium Seating: A designated seating area in modern sport venues that includes upgraded services and amenities
- Premium Seat Holder: A buyer of premium seating
- Consumer Motivation: An internal state that drives an individual to identify and buy a product or service that fulfills a need or desire
- Athletic Booster Club: An organization formed to support an intercollegiate athletics department

**Assumptions**

- Subjects responded to each of the survey questions with honesty and objectivity.
- The selected subjects voluntarily participated in this study and completed the survey.
• Since this study took place during only one football season, it was assumed that the factors that influence premium seat purchases can be reasonably applied to buyers that have purchased within the last three to five years and will purchase in the near future.
• It was implied that the information gathered from the sample of premium seat holders was representative of the overall population of football premium seat buyers from each participating institution.

Limitations
• Participants did not have the option to respond to all survey questions in an open-ended format.
• This study involved only one institution from the Atlantic Coast Conference which may limit the generalizability of the study.

Delimitations
• Only premium seat holders at a Division I collegiate football venue were included.

Significance of the Study
While the luxury suite industry has been around for nearly half a century, there is little research in suite sales, marketing, and service. Of this research, the majority has focused on premium seating in professional sport leagues. The intercollegiate athletics market has minimally been investigated related to premium seating sales, service and retention for business or individual consumers. Furthermore, published research has examined perceived motivations of premium seat buyers through surveys completed by premium seat sellers (Titlebaum & Lawrence, 2010). This study will explore actual motivations of premium seat buyers by directly
surveying the purchaser. Gaining a better understanding of buyer motivations will allow intercollegiate athletic administrators to implement a variety of methods to increase revenue, profitability and retention.
CHAPTER 2
REVIEW OF LITERATURE

Premium Seating in Sport

The construction of luxury suites in public facilities and sport venues dates back to ancient Greece, with the purpose of providing premium seating for royalty and upper-class citizens (Lawrence, Kahler, & Contorno, 2009). With the construction of 53 suites in 1965, the Houston Astrodome became one of the first modern stadiums to include luxury seating (Houston Astrodome, n.d.). In 1988, The Palace at Auburn Hills, home to the National Basketball Association’s Detroit Pistons, revolutionized funding for sport facility construction (Glass, 2012). The majority of the $90 million project was privately financed through revenues from 180 luxury suites (Burton, 1999). This sparked the start of the sports-facility building boom between 1990 and 2010. During this 20-year period, 75% of American sports teams either built or remodeled their stadiums and arenas (Lawrence, Kahler, & Contorno, 2009). The increasing demand for luxury seating was a major influence for these new constructions and renovations. Since 1990, inventory of suites in the four professional sport leagues (MLB, NFL, NBA and NHL) has increased by 147 percent to more than 10,000 suites. Club seating has also experienced explosive growth, increasing by 624 percent to reach a total of 450,000 seats (Rhoda, Wrigley, & Habermas, 2010). Given this significant growth, there is a critical need for continuous study of premium seat holder motivations.

Originally, leasing a luxury suite was the only premium seating option in professional sport. These exclusive, enclosed areas normally contain 12 to 16 theater-style seats and offer a
number of amenities such as televisions, fireplaces, pool tables, video games, high-end food, and premium liquors (Fried, 2015). The atmosphere in a suite has been likened to that of a country club (Titlebaum & Lawrence, 2009). Professional suite holders often receive additional benefits including a private entrance to the stadium on game day and exclusive access to team events and players (Koba, 2012).

The average annual price of a luxury suite ranges from $59,000 to $231,000 (Mason & Howard, 2008). In 2010, MetLife Stadium in New Jersey opened with 218 luxury suites ranging from $150,000 to $1 million annually (LaPointe, 2009). Luxury suites are typically sold as part of a long-term lease of 3 to 10 years (Lawrence, Contorno, & Steffek, 2013). Because professional sport suites are such an expensive, long-term investment, the majority are owned by corporations rather than individuals. Research shows 61% of teams and venues have more than 90% of their luxury suites leased by businesses. Corporations can justify their investment by entertaining current and prospective clients (Lawrence, Kahler, & Contorno, 2009).

Club seats differ from suites in a number of ways. They can be purchased as individual seats or in groups and on a shorter lease term. Club seating areas can range in capacity from a few hundred to a few thousand fans and are in a prime location in the seating bowl with access to a private ‘party room’ (Lawrence, Kahler, & Contorno, 2009; Cohen, 2011). Club seat holders also receive upgraded amenities such as upscale food and beverage and a private lounge area. On average, revenue from club seats accounts for 60% of the total premium seating revenue for teams (Cohen, 2011). Other types of premium seating include loge seats, courtside seats, and other special sections unique to the team or venue (Lawrence, Contorno, Steffek, 2013).

The increased availability of premium seating offers attractive revenue opportunities for venues and teams. In 2002, Lee and Chun estimated the total value of the U.S. premium seating
industry at $600 million, while a 2010 study suggests an increase to $10 billion (Cohen, 2011). Recent research has also focused on the value of premium seating for specific professional teams. Badenhausen (2008) reported 20% of NFL and 35% of NHL team revenues come from sponsorship and premium seating, while a typical NBA team generates $20 million from luxury suites and club seating (Badenhausen, 2008). These numbers are only expected to increase as more facilities with larger premium seating inventories are opened.

Given the success of suite sales in the professional sport industry and the similarity in facility size and design at many university venues, an increasing number of college athletic departments have renovated or built new stadiums and arenas to include premium seating (Titlebaum, DeMange, & Davis, 2012). As of 2008, 17 of the 20 most valuable college football teams had recently expanded or renovated their stadiums. Premium and club seating at University of Texas’ Darrell K Royal-Texas Memorial Stadium generated over $12 million that same year (Money Talks, 2008). In 2010, the University of Michigan had received advanced commitments for all 81 suites added during a three-year renovation project (Hordwedel, 2010; Titlebaum, DeMange, & Davis, 2012). The University of Louisville’s Papa John’s Cardinal Stadium is currently undergoing expansion. Although the project isn’t expected to be finished until 2018, the athletic department has sold all 12 field-level suites, all 70 premium boxes and roughly half of 1,000 club seats (Jones, 2016). Despite these trends, little research has been focused on premium seating at the collegiate level.

**Theoretical Framework**

The theoretical foundation for this study is based upon Engel, Blackwell and Miniard’s (2001) Consumer Decision Model. Attempting to understand how consumers buy and what influences their buying decisions have been the core questions examined in the field of consumer
behavior (Sample Chapter 3). Contemporary researchers define consumer behavior as “the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires, (Solomon et al., 2006, p. 6). Consumer decision making is defined as the behavior of patterns of consumers that precede, determine and follow the decision process for the acquisition of need satisfying products, ideas or services (Du Plessis, 1990).

Over the past 50 years, a number of models have been developed to attempt to explain and predict consumer behavior. Originally developed in 1968, the Engel-Kollat-Blackwell (EKB) model, most recently referred to as the Engel-Blackwell-Miniard (EBM) model, has attracted widespread interest and the least criticism. The large-scale model attempts to explain and predict behavior under a variety of situations, for a variety of products, including a multitude of variables (Berkman & Gilson, 1986). The EBM model consists of four distinctive sections: input, information processing, the decision making process, and variables influencing the decision process. The model focuses on the seven basic decision process stages: (a) need recognition, (b) information search, (c) evaluation of alternatives, (d) purchase, and (e) consumption, (f) post-consumption evaluation, and (g) divestment (Blackwell, et al., 2001).

Entry to the EBM model is through need recognition when the consumer acknowledges a discrepancy between their current state and some desirable alternative. This process is driven by an interaction between stimuli and environmental and individual variables. Environmental influences include culture, social class, personal influences, family and situation, while individual influences include consumer resources, motivation and involvement, knowledge, attitudes, personality, values and lifestyle (Blackwell, et al., 2001).
Once the need recognition occurs, consumers begin searching for information and solutions, both internally and externally, to satisfy their unmet needs. An internal search consists of retrieving knowledge from memory, while an external search consists of collecting information from peers, family and the marketplace. During an external search consumers are exposed to marketer-controlled stimuli (e.g., advertising, publicity, store display) and other stimuli (influence of friends, family, and peers). Because these stimuli come from various sources, they compete for the consumer’s attention. Such stimuli provide information to the consumer, which is then processed into meaningful information in the second section of the EBM model (Blackwell, et al., 2001).

Information processing comprises the consumer’s selective exposure, attention, comprehension and retention of stimuli relating to a product or brand received through internal and external searches. Attention determines which of the stimuli the consumer will focus on. This input is then comprehended and accepted in an individual’s short-term memory and retained through transfer to long-term memory (Blackwell, et al., 2001).

The next stage of the consumer decision-making process is evaluating alternatives. Consumers use either new or pre-existing evaluations stored in memory to select products, services, and brands that will most likely result in their satisfaction with a purchase and consumption of that product. Different consumers employ various evaluative criteria, the standards and specifications used to compare different products and brands. How consumers evaluate their choices can be influenced by both individual and environmental criteria. As a result, evaluative criteria become a product-specific manifestation of an individual’s needs, values and lifestyles (Blackwell, et al., 2001).
After the evaluation of alternatives, consumers will either purchase a product or start the process over again if needs aren’t satisfied. Once a product is purchased, the product is consumed, which then leads to post-consumption evaluation. Post-consumption evaluation occurs when consumers experience either satisfaction or dissatisfaction with the product. Satisfaction occurs when consumers’ expectations are matched by perceived performance. Dissatisfaction occurs when experiences and performances fall short of expectations. The post-consumption evaluation serves as a feedback function into future external searches and belief formation. The final stage of the decision-making process, divestment, acknowledges that the product purchased is likely to be disposed of at some point post consumption (Blackwell, et al., 2001).

Engel, Blackwell & Miniard (2001) contend that consumer behavior research is paramount for companies to ensure they know “how to please the king and directly impact company revenues.” Although Engel’s research is often examined within the context of sport consumer behavior, the EBM model has yet to be applied specifically to the purchase of premium seating. As mentioned earlier, the majority of sport consumer behavior research focuses on intrapersonal motives of sport consumers to help explain sport consumption. However, given the nature of this product, the buying process of athletic premium seating can be compared to that of a car or a boat. Consumption of each of these three products is a largely rational process, as outlined by the EBM model below.
Motivations of Sport Spectators

Before evaluating the motivations of premium seat buyers, one must first have a thorough understanding of sport spectator motivations. Motivation represents an activated internal state that arouses, directs and leads to behavior (Iso-Ahola, 1982; Mowen & Minor, 1998). A general definition suggests motivation reflects a process with five sequential stages a) need recognition, b) tension reduction, c) drive state, d) want, and e) goal-direct behavior (Schiffman & Kanuk, 2001). The want stage within this process receives considerable attention from marketers because it represents the pathway toward a specific form of behavior to satisfy a need.
Understanding the motives that promote spectatorship offer marketers the opportunity to tailor strategies to segments of fans to increase sport consumption.

Early research on spectator consumption centered on sport demand (McDonald, Milne, & Hong, 2002). These studies examined the effect of economic factors (ticket prices, scheduling of games, television and other entertainment options), promotions (special events, star players and team standings), residual preferences (game schedules, new arenas, accessibility and weather), and the association between socio-demographic factors (geography and population) on attending sporting events (Hansen & Gauthier, 1989; Zhang, Pease, Hui & Michaud, 1995; Zhang Smith, Pease & Jambor, 1997). Although this research helps sport marketers determine how these factors affect attendance, such variables are often beyond the control of sport administrators (e.g., game times set by television broadcast schedules, weather) or don’t relate to the core product (e.g., promotional giveaways, concerts, firework shows) (James & Ross, 2004).

More recent research has examined the intrapersonal motives of sport consumers to help explain sport consumption (Kahle, Kambara, & Rose, 1996; Milne & McDonald, 1999; Trail & James, 2001; Wann, 1995). Sloan (1989) reviewed several motivational theories relevant to participant and fan behavior and organized them into the following five categories: (a) salubrious effects theory, (b) stress and stimulation seeking theory, (c) catharsis and aggression theory, (d) entertainment theory, and (e) achievement-seeking theory. Salubrious effects theory suggests involvement in sport is motivated by pleasure and increased physical and mental well-being. Stress and stimulation seeking theory posits that when levels of risk, stress and arousal fall below desired levels, organisms will seek opportunities to increase arousal intensity. Catharsis and aggression theories suggest participation in, or being a spectator of, aggressive acts will either result in a reduction of aggression levels, or alternatively, result in increased levels of aggression.
Entertainment theory is concerned with attractions to sport based on the aesthetic and moral representations derived from the meaning of the sports events. Lastly, achievement-seeking theory suggests individuals fulfill their need for achievement through athletic competition (Sloan).

One of the first attempts at measuring the internal factors associated with sport attendance was Wann’s (1995) Sport Fan Motivation Scale. This scale used 23 Likert-scale based items to measure eight categories of spectator motivation: family needs, group affiliation, aesthetic qualities, escape, self-esteem, entertainment, economic factors and eustress (Wann, 1995). In 1996, Kahle, Kambara, and Rose proposed the Fan Attendance Motivations (FAM) scale based on Kelman’s functional theory of attitudinal influence. This study found that collegiate football fans were motivated primarily by three factors. First, they were influenced by a desire for a unique, self-expressive experience. Fans sought a degree of freedom from the stress and anxieties of daily life through sport consumption. Second, fans were motivated by internalization or an overall attachment to and love of the team. Finally, the study found fans were motivated by camaraderie or a desire for group affiliation (Kahle, Kambara, and Rose, 1996).

Shortly thereafter, Milne & McDonald (1999) developed the Motivations of Sport Consumer (MSC) scale which measured spectator and participant motives. The MSC identifies twelve motivational constructs: (1) risk-taking, (2) stress reduction, (3) aggression, (4) affiliation, (5) social facilitation, (6) self-esteem, (7) competition, (8) achievement, (9) skill mastery, (10) aesthetics, (11) value development, and (12) self-actualization. Much of this scale was based on the work of Sloan (1989) and Maslow’s (1943) human needs hierarchy. Later
research in 2002 prompted Milne and McDonald to add a thirteenth construct, physical fitness, to their MSC scale.

One of the most discussed and reviewed measurement scales is the Motivation Scale for Sport Consumption (MSSC) (Trail & James, 2001). Limitations of the scales proposed by Wann (1995), Kahle et al. (1996), and Milne and McDonald (1999) led Trail and James to propose the MSSC, as they argued earlier scale measures were methodologically limited particularly with respect to construct validity and reliability. The MSSC bettered Wann’s (1995) SFMS and Milne and McDonald’s (1999) MSC scale by accurately assessing nine motives that had been hypothesized to drive spectator sport consumption behavior (vicarious achievement, acquisition of knowledge, aesthetics, social interaction, drama/eustress, escape, family, physical attractiveness, and physical skill), including two new factors (acquisition of knowledge and physical attraction of participants) that represent unique constructs not measured by previous scales (Sloan, 1989; Trail & James, 2001). Development of the MSCC has allowed researchers and practitioners to better understand the impact of psychological motives on attendance at sporting events, purchasing behavior, and other types of consumption (Trail & James, 2001). Results of Trail and James’ study indicated the MSSC does possess the psychometric properties requisite for accurately and reliably measuring the motivations of sport spectator consumption behavior. Concurrent work by Funk, Mahony, Nakazawa, and Hirakawa (2001) established the Sport Interest Inventory (SII), a 10-factor scale for measuring consumer motives in relation to sport, more specifically women’s competitive sport.

In 2009, Funk et al. created a sport motivation scale to meet both academic and practitioner demands. A 10-item scale was distributed to sport spectators to measure five facets of motivation: socialization, performance, excitement, esteem and diversion (SPEED). These
five themes reflect core motivational facets that drive individuals to seek out sport experiences and represent a convergence of constructs from previous instruments. Socialization relates to the interpersonal aspect of sport. This definition overlaps with group affiliation, family bonding, social interaction and camaraderie (Kahle et al., 1996; Trail & James, 2001; Wann, 1995). Performance relates to “the extent to which an individual believes that sport events provide excellence, beauty and creativity of athletic performance” (Funk et al., 2009, p. 129). Performance encompasses motives of aesthetics, aggression, physical skill and performance evaluation. Excitement represents the extent to which a sport event is perceived as providing stimulation through the consumption experience. Excitement includes motives of entertainment, eustress and drama. Esteem reflects the extent to which an individual perceives attending a sport event as providing an opportunity for vicarious achievement. Esteem relates closely to motives of group affiliation and achievement. Finally, diversion reflects the extent to which a person perceives attending a sport as an opportunity to escape the hassles and normal routine of everyday life. Diversion highlights previous motives of escape and fantasy (Funk et al., 2004; Madrigal, 2006; Trail & James, 2001; Wann, 1995). This research found the more games individuals attended, the more likely they agreed attending games provided the opportunity for excitement, to enjoy live performances, and increase esteem.

**Motivations of Premium Seat Buyers**

Research indicates motivations of premium seat buyers differ from general sport spectator motivations. Titlebaum and Lawrence (2010) examined 11 variables related to perceived purchase motivations for corporate suite holders among the ‘Big Four’ leagues (NBA, NFL, MLB, NHL). The four most highly rated variables were entertaining new business clients, entertaining existing business clients, current team performance, and brand image of the team in
the community (Titlebaum & Lawrence, 2010). Titlebaum, DeMange, and Davis (2012) conducted further research which compared the perceived motivations of luxury suite ownership between professional and collegiate facilities. The most significant difference between the two was a greater desire to support the community among college suite holders. Given that professional sport teams are for-profit ventures, whereas universities are not, this is not a surprising result. This study also found that suites in collegiate facilities were more commonly purchased for personal use, whereas suites in professional facilities are most often purchased for business purposes (Titlebaum, DeMange, & Davis, 2012).

Several parallels can be drawn between motivations of premium seat buyers and objectives of corporations purchasing sport sponsorships. Irwin, Assimakopoulos, and Sutton’s (1994) study produced a model for use by corporations in the evaluation of sponsorship proposals. Their research found the most significantly rated factors were fit between sport image and product/service image, target market fit, demographic profile of the extended audience, demographic fit of the immediate audience, and opportunities for signage (Stotlar, 2005). Additional research by Thwaites and Aguilar-Manjarrez (1997) found that community involvement and enhancement of the company image were also highly rated. Both community involvement and brand image of the team are believed to be significant factors in the buying process of premium seating in collegiate facilities (Titlebaum, DeMange, & Carrie, 2012). Other sport sponsorship objectives include enhanced company image and building business relations (Irwin, Sutton, & McCarthy, 2008). These objectives are among the top perceived motivations of premium seat buyers in professional facilities (Titlebaum & Lawrence, 2010). This study aims to
add to the existing body of research by finding actual motivations of premium seat buyers, as opposed to perceived motivations. These motivations will then be further analyzed by demographic group and institution.
CHAPTER 3

METHODOLOGY

Participants

The target population for this study was premium seat holders of Division I football programs. The sample was compiled from current lease holders from one Atlantic Coast Conference school. A membership list was obtained from the institution’s athletic development organization to distribute the Qualtrics survey via e-mail. Of the 843 electronic surveys that were distributed, 221 subjects completed the survey, for a response rate of 26.2%.

Instrumentation

A questionnaire survey was administered via email to collect data. The survey was designed to gather specific information related to demographics and purchasing motives of premium seat holders. The first portion of the survey addressed buyer motivations and consumer satisfaction related to each of these motivating factors. Both of these questions were formatted on a five-point Likert scale in which respondents were asked the level to which they agree or disagree or the level of satisfaction. The factors that were measured include entertaining new business clients, entertaining existing business clients, entertaining employees, supporting the community, perception in the community, exclusivity from competitors, personal use, value of exclusivity in the venue, current team performance, history of team performance, and “brand image” of the team. Of these eleven factors, “personal use” was replaced with “upgraded services and amenities.” This instrumentation was originally created to survey marketers in professional leagues, where the overwhelming majority of luxury suites are purchased by
companies and are used by a number of different people. However, it is in the college sport market that premium seat holders at UNC purchase their seats primarily for personal use. For this reason, “personal use” was replaced with “upgraded services and amenities” as this was hypothesized to be a significant motivating factor.

The final portion of the survey established categorical information by asking questions in a multiple choice format. These questions addressed the following variables: years of booster club membership, years as a season ticket holder, years as a premium seat holder, age, gender, ethnicity, alumni status, education, marital status, household income, and number of children in household. The survey instrument being used to measure premium seat holder motivations is derived from one used by Titlebaum and Lawrence (2010). In their research they examined perceived motivations of premium seat buyers by surveying those who sell luxury suites at both the professional and collegiate levels. The 29-item questionnaire was drafted into four sections based on results of interviews conducted in previous qualitative research (Titlebaum & Lawrence, 2009a). For the purpose of this study, only one section, the importance of a variety of motivator factors in the initial suite purchase decision, was used. The other three sections were aimed at the premium seat administrator to examine selling and marketing methods. Titlebaum and Lawrence established face validity for the survey instrument by submitting the questionnaire to a panel of experts with extensive experience in the luxury suite sales industry.

Data Analysis

SPSS statistical software was the main tool used in data analyses. First, descriptive statistics were conducted to gauge the level of significance of each motivating factor. Descriptive
statistics were also conducted to measure the level of satisfaction consumers experienced related to each of the 11 purchase motivations. Simple t-tests and one-way ANOVAs were run to examine differences of means for each motivational factor based on demographic variables.
CHAPTER 4
RESULTS
The results of this research project will be grouped by research question in order to provide a structure to the findings. Of the 865 Ram Club accounts obtained, 843 of the accounts included email addresses. With 221 electronic survey responses, a response rate of 26.2% was obtained.

Demographics

Of the 221 participants for this survey, 87.3% (n=186) were male. The mean age of all participants (n=221) was 57.99 years old (M=57.99, SD=13.152).

An extremely small number of participants did not graduate from a 4-year university (.9%, n=2). When asked whether they received a college degree from UNC-Chapel Hill, respondents indicated 58.7% (n=125) earned an undergraduate degree from UNC-Chapel Hill, 6.6% (n=14) earned a postgraduate degree from UNC-Chapel Hill, and 15% (n=32) received multiple degrees from UNC-Chapel Hill, while 19.7% (n=42) of respondents earned an undergraduate degree from a school other than UNC-Chapel Hill.

Participants were asked to estimate their annual household income. A large percentage (63.6%, n=124) earned more than $250,000 annually, while 22.1% (n=43) earned $150,000-$249,999 per year, and 9% earned $100,000-$149,999 per year. A complete listing of participant demographic information is presented in Table 1.
Table 1
Demographic information of participants

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
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<td></td>
</tr>
<tr>
<td>Male</td>
<td>87.3%</td>
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</tr>
<tr>
<td>Female</td>
<td>12.7%</td>
<td>27</td>
</tr>
<tr>
<td><strong>Age</strong></td>
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<td></td>
</tr>
<tr>
<td>&lt; 59</td>
<td>48.1%</td>
<td>101</td>
</tr>
<tr>
<td>≥ 59</td>
<td>51.9%</td>
<td>109</td>
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<tr>
<td><strong>Annual Income</strong></td>
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<td></td>
</tr>
<tr>
<td>Less than $74,999</td>
<td>3.1%</td>
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<td>$75,000-$99,999</td>
<td>2.1%</td>
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</tr>
<tr>
<td>$100,000-$149,999</td>
<td>9.2%</td>
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</tr>
<tr>
<td>$150,000-$249,999</td>
<td>22.1%</td>
<td>43</td>
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<tr>
<td>$250,000+</td>
<td>63.6%</td>
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<tr>
<td><strong>Highest education completed?</strong></td>
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<td>High school</td>
<td>.9%</td>
<td>2</td>
</tr>
<tr>
<td>Some college</td>
<td>4.2%</td>
<td>9</td>
</tr>
<tr>
<td>College degree</td>
<td>48.4%</td>
<td>103</td>
</tr>
<tr>
<td>Post-graduate degree</td>
<td>46.5%</td>
<td>99</td>
</tr>
<tr>
<td><strong>Receive a degree from UNC?</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes (undergraduate)</td>
<td>58.7%</td>
<td>125</td>
</tr>
<tr>
<td>Yes (graduate)</td>
<td>6.6%</td>
<td>14</td>
</tr>
<tr>
<td>Yes (multiple)</td>
<td>15.0%</td>
<td>32</td>
</tr>
<tr>
<td>No</td>
<td>19.7%</td>
<td>42</td>
</tr>
</tbody>
</table>

**Research Question #1:** What factors motivate college sport consumers’ decision to purchase premium seating?

Participants were given a list of motivating factors for premium seat purchases and asked to rate “How important were each of the following factors to your purchase decision?” They were asked to respond using the following five-point Likert scale: (1) Not important, (2) Slightly important, (3) Moderately important, (4) Important, (5) Very Important. Descriptive statistics provided the means and standard deviations necessary to indicate the most important motivational factors considered by members when purchasing premium seating at Carolina football games. The motive with the highest overall mean score was “Upgraded services and
amenities.” See Table 2 for a complete list of the motivational factors affecting purchase decisions.

**Table 2**

*Motivations to purchase premium seating*

<table>
<thead>
<tr>
<th>Motivation</th>
<th>n</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgraded services and amenities</td>
<td>218</td>
<td>4.33</td>
<td>.858</td>
</tr>
<tr>
<td>“Brand image” of the team</td>
<td>211</td>
<td>3.07</td>
<td>1.368</td>
</tr>
<tr>
<td>Value of exclusivity in the venue</td>
<td>206</td>
<td>2.93</td>
<td>1.393</td>
</tr>
<tr>
<td>Current team performance</td>
<td>215</td>
<td>2.87</td>
<td>1.278</td>
</tr>
<tr>
<td>History of team performance</td>
<td>217</td>
<td>2.76</td>
<td>1.232</td>
</tr>
<tr>
<td>Supporting the community</td>
<td>189</td>
<td>2.47</td>
<td>1.405</td>
</tr>
<tr>
<td>Entertaining existing business clients</td>
<td>167</td>
<td>1.75</td>
<td>1.215</td>
</tr>
<tr>
<td>Value of exclusivity in the venue</td>
<td>163</td>
<td>3.88</td>
<td>.749</td>
</tr>
<tr>
<td>“Brand image” of the team</td>
<td>182</td>
<td>3.86</td>
<td>.744</td>
</tr>
<tr>
<td>Entertaining existing business clients</td>
<td>59</td>
<td>3.81</td>
<td>.754</td>
</tr>
<tr>
<td>Entertaining new business clients</td>
<td>54</td>
<td>3.80</td>
<td>.711</td>
</tr>
<tr>
<td>Entertaining employees</td>
<td>54</td>
<td>3.80</td>
<td>.762</td>
</tr>
<tr>
<td>Supporting the community</td>
<td>123</td>
<td>3.77</td>
<td>.766</td>
</tr>
<tr>
<td>Current team performance</td>
<td>189</td>
<td>3.67</td>
<td>.812</td>
</tr>
<tr>
<td>Perception in the community</td>
<td>108</td>
<td>3.61</td>
<td>.681</td>
</tr>
<tr>
<td>History of team performance</td>
<td>184</td>
<td>3.59</td>
<td>.851</td>
</tr>
</tbody>
</table>

**Research Question #2: How satisfied are college sport consumers with their purchase related to the following motivations?**

Participants were given the same list of motivating factors and asked to rate “How satisfied do you feel related to the following purchase motivations?” on the following five-point Likert scale: (1) Extremely dissatisfied, (2) Dissatisfied, (3) Neither dissatisfied nor satisfied, (4) Satisfied, (5) Extremely satisfied. See Table 3 for a complete breakdown of sport consumer satisfaction related to purchase motivations.

**Table 3**

*Satisfaction of premium seat purchases*

<table>
<thead>
<tr>
<th>Motivation</th>
<th>n</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgraded services and amenities</td>
<td>210</td>
<td>4.06</td>
<td>.752</td>
</tr>
<tr>
<td>Value of exclusivity in the venue</td>
<td>163</td>
<td>3.88</td>
<td>.749</td>
</tr>
<tr>
<td>“Brand image” of the team</td>
<td>182</td>
<td>3.86</td>
<td>.744</td>
</tr>
<tr>
<td>Entertaining existing business clients</td>
<td>59</td>
<td>3.81</td>
<td>.754</td>
</tr>
<tr>
<td>Entertaining new business clients</td>
<td>54</td>
<td>3.80</td>
<td>.711</td>
</tr>
<tr>
<td>Entertaining employees</td>
<td>54</td>
<td>3.80</td>
<td>.762</td>
</tr>
<tr>
<td>Supporting the community</td>
<td>123</td>
<td>3.77</td>
<td>.766</td>
</tr>
<tr>
<td>Current team performance</td>
<td>189</td>
<td>3.67</td>
<td>.812</td>
</tr>
<tr>
<td>Perception in the community</td>
<td>108</td>
<td>3.61</td>
<td>.681</td>
</tr>
<tr>
<td>History of team performance</td>
<td>184</td>
<td>3.59</td>
<td>.851</td>
</tr>
</tbody>
</table>
**Research Question #3:** How do perceived motivations of college sport consumers’ decision to purchase premium seats compare with actual purchase motivations?

Previous research on premium seating measured perceived motivations of premium seat buyers in the National Basketball Association (NBA), the National Football League (NFL), the National Hockey League (NHL), and Major League Baseball (MLB) by surveying those who sell luxury seating (Titlebaum & Lawrence, 2010). Titlebaum, DeMange & Davis (2012) then compared these perceived motivations among the “Big Four” leagues to perceived motivations among Southeastern Conference (SEC) schools. See Table 4 for a comparison of perceived motivations of professional and SEC premium seat buyers and actual motivations of premium seat buyers at UNC.

### Table 4

*Comparison of perceived and actual motivational factor mean scores*

<table>
<thead>
<tr>
<th>Factor</th>
<th>Pro (Perceived)</th>
<th>UNC (Actual)</th>
<th>Δ</th>
<th>SEC (Perceived)</th>
<th>UNC (Actual)</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertaining new business clients</td>
<td>4.30</td>
<td>1.60</td>
<td>2.70</td>
<td>3.80</td>
<td>1.60</td>
<td>2.2</td>
</tr>
<tr>
<td>Perception in the community</td>
<td>2.96</td>
<td>1.61</td>
<td>1.35</td>
<td>3.30</td>
<td>1.61</td>
<td>1.69</td>
</tr>
<tr>
<td>Exclusivity from competitors</td>
<td>3.19</td>
<td>1.67</td>
<td>1.52</td>
<td>2.90</td>
<td>1.67</td>
<td>1.23</td>
</tr>
<tr>
<td>Entertaining employees</td>
<td>2.55</td>
<td>1.61</td>
<td>.94</td>
<td>2.80</td>
<td>1.61</td>
<td>1.19</td>
</tr>
<tr>
<td>Upgraded services and amenities</td>
<td>2.40</td>
<td>4.33</td>
<td>-1.93</td>
<td>3.30</td>
<td>4.33</td>
<td>-1.03</td>
</tr>
<tr>
<td>Supporting the community</td>
<td>2.26</td>
<td>2.47</td>
<td>-.21</td>
<td>3.30</td>
<td>2.47</td>
<td>.83</td>
</tr>
<tr>
<td>History of team performance</td>
<td>2.85</td>
<td>2.76</td>
<td>.09</td>
<td>3.30</td>
<td>2.76</td>
<td>.54</td>
</tr>
<tr>
<td>“Brand image” of the team</td>
<td>3.41</td>
<td>3.07</td>
<td>.34</td>
<td>3.50</td>
<td>3.07</td>
<td>.43</td>
</tr>
<tr>
<td>Value of exclusivity in the venue</td>
<td>3.04</td>
<td>2.93</td>
<td>.11</td>
<td>3.30</td>
<td>2.93</td>
<td>.37</td>
</tr>
<tr>
<td>Current team performance</td>
<td>3.43</td>
<td>2.87</td>
<td>.47</td>
<td>2.80</td>
<td>2.87</td>
<td>-.07</td>
</tr>
</tbody>
</table>

Exclusivity from competitors: 85 3.58 .807
Research Questions #4: Is there a relationship between specific motivations to purchase premium seating and various demographic variables?

Demographic characteristics were analyzed using t-tests and one-way ANOVAs to determine if there were relationships between demographic characteristics and purchase motivations. Relationships were determined to exist between motivational factors and demographic characteristics of age and alumni status. The median age of participants (n=221) was 59 years old, and the maximum age of participants was 89 years old. Participants’ responses were organized into two age groups, ages 18 to 58 and ages 19 to 89. A simple t-test was run to compare the effect of age on each of the eleven purchase motivations. The results demonstrated significant differences between age groups for the following motivational factors: “entertaining new business clients”, “entertaining existing business clients”, “entertaining employees”, “value of exclusivity in the venue”, and “upgraded services and amenities.” Because there were only two demographic subgroups, post hot testing was not conducted. Results are presented in Table 5.

**Table 5**

*Motivational factors for premium seat purchases by age*

<table>
<thead>
<tr>
<th>Motivational Factor</th>
<th>Mean</th>
<th>SD</th>
<th>Mean</th>
<th>SD</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertaining new business clients*</td>
<td>1.83</td>
<td>1.231</td>
<td>1.40</td>
<td>.827</td>
<td>.010</td>
</tr>
<tr>
<td>Entertaining existing business clients*</td>
<td>2.01</td>
<td>1.359</td>
<td>1.52</td>
<td>1.005</td>
<td>.011</td>
</tr>
<tr>
<td>Entertaining employees*</td>
<td>1.84</td>
<td>1.238</td>
<td>1.39</td>
<td>.801</td>
<td>.008</td>
</tr>
<tr>
<td>Supporting the community</td>
<td>2.60</td>
<td>1.410</td>
<td>2.34</td>
<td>1.411</td>
<td>.204</td>
</tr>
<tr>
<td>Perception in the community</td>
<td>1.64</td>
<td>1.061</td>
<td>1.56</td>
<td>.957</td>
<td>.570</td>
</tr>
<tr>
<td>Exclusivity from competitors</td>
<td>1.78</td>
<td>1.173</td>
<td>1.58</td>
<td>1.056</td>
<td>.264</td>
</tr>
<tr>
<td>Value of exclusivity in the venue*</td>
<td>3.12</td>
<td>1.379</td>
<td>2.72</td>
<td>1.379</td>
<td>.042</td>
</tr>
<tr>
<td>Upgraded services and amenities*</td>
<td>4.52</td>
<td>.558</td>
<td>4.14</td>
<td>1.028</td>
<td>.001</td>
</tr>
<tr>
<td>Current team performance</td>
<td>2.98</td>
<td>1.233</td>
<td>2.79</td>
<td>1.307</td>
<td>.290</td>
</tr>
<tr>
<td>History of team performance</td>
<td>2.79</td>
<td>1.143</td>
<td>2.73</td>
<td>1.299</td>
<td>.700</td>
</tr>
<tr>
<td>“Brand image” of the team</td>
<td>3.13</td>
<td>1.308</td>
<td>3.07</td>
<td>1.395</td>
<td>.747</td>
</tr>
</tbody>
</table>

*Indicates a statistically significant difference of means (p<.05)
The other demographic category that yielded a statistically significant difference is number of degrees from UNC. A one-way between subjects ANOVA was conducted to compare the effect of number of degrees from UNC on each of the eleven purchase motivations. There was a significant effect of number of degrees from UNC on “current team performance” and “brand image” of the team.” Post hoc comparisons using the Bonferroni test indicated that the mean score ($M=2.32$) for multiple degrees was significantly different than no degrees with respect to “current team performance.” Pot hoc testing also showed that the mean score ($M=2.42$) for multiple degrees was significantly different than no degrees with respect to “brand image” of the team.” It should also be noted that the initial one-way ANOVA test results showed a statistically significant p-value for “value of exclusivity in the venue,” but post hoc results showed no significant differences between the different factors. Results are presented in Table 6.

Table 6

<table>
<thead>
<tr>
<th>Motivational factors for premium seat purchases by alumni status</th>
<th>Undergraduate</th>
<th>Graduate</th>
<th>Multiple degrees</th>
<th>Non-graduate</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertaining new business clients</td>
<td>1.71</td>
<td>1.112</td>
<td>1.00</td>
<td>.000</td>
<td>1.32</td>
</tr>
<tr>
<td>Entertaining existing business clients</td>
<td>1.90</td>
<td>1.307</td>
<td>1.13</td>
<td>.354</td>
<td>1.44</td>
</tr>
<tr>
<td>Entertaining employees</td>
<td>1.64</td>
<td>1.078</td>
<td>1.63</td>
<td>.916</td>
<td>1.35</td>
</tr>
<tr>
<td>Supporting the community</td>
<td>2.38</td>
<td>1.332</td>
<td>2.63</td>
<td>1.408</td>
<td>2.31</td>
</tr>
<tr>
<td>Perception in the community</td>
<td>1.60</td>
<td>.997</td>
<td>1.67</td>
<td>.866</td>
<td>1.33</td>
</tr>
<tr>
<td>Exclusivity from competitors</td>
<td>1.70</td>
<td>1.115</td>
<td>1.78</td>
<td>1.202</td>
<td>1.29</td>
</tr>
<tr>
<td>Value of exclusivity in the venue*</td>
<td>2.97</td>
<td>1.399</td>
<td>3.33</td>
<td>1.303</td>
<td>2.32</td>
</tr>
<tr>
<td>Upgraded services and amenities</td>
<td>4.37</td>
<td>.804</td>
<td>4.31</td>
<td>.751</td>
<td>4.19</td>
</tr>
<tr>
<td>Current team performance*</td>
<td>2.90</td>
<td>1.197</td>
<td>3.14</td>
<td>1.406</td>
<td>2.23</td>
</tr>
<tr>
<td></td>
<td>Mean 1</td>
<td>Mean 2</td>
<td>Mean 3</td>
<td>Mean 4</td>
<td>Mean 5</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>History of team performance</td>
<td>2.73</td>
<td>1.12</td>
<td>3.14</td>
<td>1.46</td>
<td>2.42</td>
</tr>
<tr>
<td>“Brand image” of the team*</td>
<td>3.10</td>
<td>1.27</td>
<td>3.43</td>
<td>1.34</td>
<td>2.42</td>
</tr>
</tbody>
</table>

*Indicates a statistically significant difference of means (p<.05)

All other purchase motivations did not yield statistically significant differences between demographic groups according to the one-way analysis of variance.
CHAPTER 5
DISCUSSION

There are many issues facing intercollegiate athletics today, one of the most significant being unsustainable costs. In addition to athletic department operational expenses outpacing the level of institutional support universities can provide, major Division I athletics programs are experiencing a significant decrease in football game attendance. As a result, a growing number of athletic departments have opted to add or increase premium seating availability in their football stadiums. With this in mind, it’s crucial that athletic administrators gather data to gain a thorough understanding of the premium seating sport consumer, evaluating both demographic characteristics and motivational factors that influence purchase decisions. While previous research has explored the perceived motivations of the premium seat holder, this study discovered actual motivations of college sport consumers. The results of this study will allow administrators to create better sales strategies and improve the premium seat experience, thus increasing revenue and encouraging retention.

RQ1: What factors motivate college sport consumers’ decisions to purchase premium seating?

To answer this question, the means of each of the eleven factors were examined. The eleven categories were: entertaining new business clients, entertaining existing business clients, entertaining employees, supporting the community, perception in the community, exclusivity from competitors, value of exclusivity in the venue, upgraded services and amenities, current team performance, history of team performance, and “brand image” of the team.
The highest rated motivational factor was “upgraded services and amenities” ($M=4.33$). This was one of the motives hypothesized to be most significant for football premium seat buyers at UNC. This result aligns with McDonald, Milne and Hong’s (2002) spectator consumption research centered on sport demand, which examines the effect of economic factors (television, other entertainment options) and residual preferences (new arenas, accessibility and weather) on attending sporting events. Premium seating areas in a college football venue appeal to these spectator motivations, as they are new and improved, attractive spaces. Because they are typically new to an existing venue, club areas tend to be much more accessible for fans. Weather is no longer an issue, as fans have the option to go inside. This indoor option becomes particularly convenient for older or larger fans, or fans with disabilities, who no longer are required to stay in their seat to enjoy the entire game. Additionally, competing entertainment options become less attractive, as premium seating allows fans to enjoy the excitement of a live sporting event in an enhanced social atmosphere. The overwhelming popularity and growth of premium club areas in college football venues also supports the interpersonal aspect of sport, such as group affiliation, family bonding, social interaction and camaraderie (Kahle et al., 1996; Trail & James, 2001; Wann, 1995).

Furthermore, as media coverage of major college football games increases, attendance at these games continues to decline (Solomon, 2016). Research points to the fact that a growing number of fans prefer to watch games from the comfort of their home. Considering the atmosphere in club areas and suites has been likened to that of a country club, purchasing premium seating may be the only option better than watching from a living room couch (Titlebaum & Lawrence, 2009).
The second-most highly rated motivational factor was “‘brand image’ of the team.” This comes as no surprise given premium seating at UNC’s Kenan Stadium is sold exclusively to donors. Members of The Rams Club are extremely important stakeholders in the athletic department, both financially and emotionally. The results from the “Fan Identification Scale” section of the survey supports this idea. Survey participants were asked to respond to the following three questions on a five-point likert scale: “I consider myself a fan of Carolina Athletics,” “I would feel a loss if I had to give up being a fan of Carolina Athletics,” and “Others recognize I am a big fan of Carolina Athletics.” The mean scores for each of these three measures was overwhelmingly high ($M=4.96$, $M=4.80$, $M=4.81$), which indicates that premium seat holders at UNC are huge fans of Carolina Athletics. It makes sense that those who identify as great fans and are truly invested in the program weigh “‘brand image’ of the team” with great importance. It should also be considered that “‘brand image’ of the team” measuring as a significant factor could be in part due to the ongoing NCAA scandal involving the football program.

The third-most highly ranked motivational factor was “value of exclusivity in the venue.” This supports Titlebaum and Lawrence’s (2009) research that perceived exclusivity as a key to securing new seat holders and renewing existing clients. Through premium seat ownership, particularly suite ownership, donors establish a close relationship with athletic development officers and the venue (Titlebaum & Lawrence, 2009). The fourth-most highly ranked factor was “current team performance” ($M=2.87$). This motivational factor again ties back to the spectator consumption research that focuses on environmental factors, including success of a program (McDonald, Milne & Hong, 2002).
Of the 11 motivational factors for purchasing premium seats, the means of the following factors measured below a “2,” or “slightly important” on the five-point likert scale: “entertaining existing business clients,” “exclusivity from competitors,” “entertaining employees,” “perception in the community,” and entertaining new business clients.” This confirms Titlebaum, DeMange and Davis’ (2012) hypothesis that, when compared to professional luxury seat holders, the majority of college athletic donors tend to buy seats for personal use, as opposed to professional use.

**RQ2: How satisfied are college sport consumers with their purchase related to initial purchase motivations?**

To answer this research question, descriptive statistics were run to provide the means and standard deviations necessary to indicate level of satisfaction of participants’ purchases related to their initial purchase motivations. The motivational factor with the highest satisfaction was “upgraded services and amenities” ($M=4.06$). Given this factor was rated the most significant purchase motivation by UNC premium seat holders, it’s imperative for retention and renewal rates that buyers’ expectations are met with respect to the facility. Following “upgraded services and amenities” was “value of exclusivity in the venue” ($M=3.88$), “’brand image’ of the team” ($M=3.86$), and “entertaining existing business clients” ($M=3.81$). Overall, the means for all 11 factors were above “3,” meaning no premium seat holders were “dissatisfied” or “extremely dissatisfied” with their purchase based on initial purchase motivations. It’s also interesting to note the relatively high satisfaction with “’brand image’” of the team given the ongoing NCAA scandal. Furthermore, when comparing motivating factors to satisfaction levels, it should be noted that respondents ranked “entertaining new and existing business clients” low as a purchase motivation, but earned relatively high satisfaction levels. This indicates that of 221 respondents,
few chose to entertain new or existing business clients, but those that did, were satisfied with their experience.

RQ3: How do perceived motivations of college sport consumers’ decision to purchase premium seats compare with actual purchase motivations?

Previous research in the premium seat industry has focused on perceived motivations of buyers in the professional and collegiate market. Titlebaum, DeMange and Davis (2012) surveyed premium seat salespeople and administrators in the NBA, NFL, NHL, MLB and SEC. This study used the same survey instrument to investigate actual motivations of collegiate premium seat buyers, as opposed to perceived motivations.

Comparing the means and standard deviations among the three groups (“Big Four” professional leagues, SEC schools and UNC), provided interesting results. The greatest motivating factors for premium seat purchases in professional sports were perceived to be “entertaining new business clients” ($M=4.30$) and “entertaining existing business clients” ($M=4.30$). Also at the top of the list were “brand image’ of the team” ($M=3.41$) and “current team performance” ($M=3.34$). Furthermore, perceived motivations of premium seat buyers at SEC schools, as thought by administrators, were “entertaining existing business clients” ($M=3.90$), “entertaining new business clients” ($M=3.80$), and “brand image’ of the team” ($M=3.50$).

When comparing means between perceived motivations of SEC buyers and actual motivations of buyers at UNC the results were telling. The most significant differences between perceived and actual motivations were “entertaining new business clients” and “entertaining existing business clients.” Marketers in the SEC on average rated these motivating factors 2.20 and 2.15 units higher than buyers at UNC. In fact, “entertaining new business clients” ranked the
lowest among UNC buyers, but was perceived to be the second-most significant factor by SEC sport administrators. While luxury seat holders in professional sport often purchase for business reasons, the results of this study indicate this is certainly not the case in the collegiate industry. Not only does this radically change the approach salespeople should use to sell these spaces to college ticket holders, these results could also mean that college administrators aren’t effectively marketing and targeting their premium spaces to businesses.

Furthermore, respondents at UNC on average ranked “upgraded services and amenities” 1.03 units higher than perceived to be in the SEC. Again, this disparity in perceived and actual motivations could mean that college salespeople are missing the mark with the premium seat sport consumer. According to the results of this study, a collegiate luxury seat administrator should tailor their sales pitch around the benefits, services and amenities premium seat spaces offer that traditional seats do not. This could drastically increase premium seat sales and also improve retention rates. Another significant difference between the two groups was “perception in the community.” Premium seat salespeople in the SEC rated this motivating factor on average 1.69 units greater than buyers actually rated it at UNC. Both of these results imply college premium seat holders may be slightly more transactional than sport administrators believe. Before this study, Titlebaum presumed that, because premium seat leases typically require a donation to the athletic department, these lease holders would rank “supporting the community” and “perception in the community” as relatively high purchase motivations. However, premium seat holders at UNC ranked “supporting the community” relatively low with a mean score of 2.47. This isn’t to say that these donors don’t care about supporting the community, but this factor did not prove to be particularly significant during their premium seat purchase decision.
With 6 of the eleven factors measuring a difference of one or more units between the two groups, it seems that premium seat sellers and administrators are wrongfully assuming motivations of premium seat buyers. This is alarming being that Titlebaum, DeMange, and Davis’ (2012) study surveyed the experts of the industry. Such misconceptions reiterate the significance and purpose of this study for using hard data to drive decisions and implement the most effective marketing strategies.

**RQ4: Is there a relationship between specific motivations to purchase premium seating and various demographic variables?**

To answer this research question, simple t-tests and one-way ANOVA tests were performed between all categorical demographic variables and motivational factors. Age, gender, alumni status, years of membership with an athletic booster club, and years of premium seat ownership were all demographic variables hypothesized to have a relationship with specific premium seating motivations. Of those five variables, two categorical demographic variables indicated statistically significant differences ($p<0.05$): “age” and “degree from UNC.”

For the two age groups compared, ages 18 to 58 and ages 59 to 99, there existed a significant difference in means for the following purchase motivations: “entertaining new business clients,” “entertaining existing business clients,” “entertaining employees,” “value of exclusivity in the venue,” and “upgraded services and amenities.” When comparing group means, respondents under the age of 59 rated each of these motivational factors statistically significantly higher than participants ages 59 and older. The results related to business motivations can be attributed to a higher number of business owners within the younger demographic group. This makes sense given the current average age of retirement is 63.5 years. One can assume the majority of respondents in the older demographic group are retired and are
not motivated to purchase premium seat for professional use. As for “value of exclusivity in the venue” and “upgraded services” and amenities,” one interpretation may be that the younger demographic group is of the generation that needs and expects more from the venue and their game day experience. This again relates back to the trend that more and more fans are opting to stay at home and watch games from the comfort of their couch. The statistical differences between age groups offer valuable information, especially when trying to segment marketing strategies to particular groups. In order to reach younger buyers more effectively, athletic administrators can promote the benefits of purchasing premium seats for both personal and professional use.

The second categorical demographic variable that yielded a statistically significant result was “degree from UNC.” For the four groups compared (those who received an undergraduate degree from UNC, those who received a graduate degree from UNC, those who received multiple degrees from UNC, and those who did not receive a degree from UNC) there existed a significant difference in means for “current team performance” and “brand image’ of the team.” Participants who received multiple degrees from UNC rated “brand image’ of the team” statistically significantly lower than respondents who were not alumni of UNC. Furthermore, respondents who received multiple degrees from UNC also ranked “current team performance” statistically significantly lower than those who did not receive a degree from UNC. These results confirm the concept that non-alumni tend to be influenced by external factors. It makes sense that alumni with multiple degrees from UNC care less about team image or performance because of their allegiance to their alma mater. These results illustrate how sport administrators should tailor their sales and marketing strategies. When selling to non-alumni, they can focus on strength of schedule, recent successes of the program, or a positive brand image. When selling to
alumni, sport marketers would likely be more successful translating an alum’s love and affiliation for their campus and alma mater to purchasing premium seats and attending games. When looking at this particular demographic group, it should be noted that almost 20% of premium seat holders did not attend UNC. It’s clear that athletic departments should be targeting non-alumni more frequently, and when doing so, should focus on external factors that tend to appeal this particular demographic group.

Limitations and Future Studies

As the body of research increases in athletic premium seating, there is an abundance of possibilities for building a greater understanding of the market, those who purchase suites, and all stakeholders. Buyers need evaluation tools for measuring the return of owning premium seats, while sellers need information on how buyers are evaluating their premium seat purchases. Athletic administrators must also consider the role of food and beverage service and understanding the challenges related to low team performance.

Several related studies could be conducted as a follow-up to this thesis, the most obvious of which would be to replicate this exact study with multiple universities to analyze the differences in motivational factors and the relationships between demographic characteristics and purchase motivations. The purpose of this thesis was to gain a better understanding of the purchase and renewal motivations of premium seat holders at college sporting events. However, the current study is restricted to only one, large public institution in the Atlantic Coast Conference with an elite men’s basketball program. Furthermore, this study focused solely on premium seat purchases in a football stadium, as the participating institution does not currently offer premium seating at its basketball venue. It is possible there might be differences in motivational factors and demographic characteristics at other “Power 5” Division I schools,
specifically those that are considered “football schools.” It would be interesting to compare motivations of premium seat buyers at ACC schools versus SEC schools, or to evaluate purchase motivations of buyers in a small college town such as Chapel Hill, compared to a university in a large metropolitan area such as Georgia Tech in Atlanta. This study could also be applied to analyze differences of purchase motivations between “Power 5” and mid-major Division I universities. Additionally, this study could be used to evaluate differences of purchase motivations among different athletic venues at the same university.
REFERENCES


