

# Ultimate Fighting Championship should save heavyweight fights for pay per view

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The Ultimate Fighting Championship (UFC), a mixed martial arts league, has experienced large growth in popularity and economic success in recent years. UFC has achieved this success by marketing to fans who attend live fighting events and who purchase Pay Per View (PPV) options to watch UFC events on television.

Now, a researcher at the University of Missouri has found that fans' interest in the sport and, thus, their desire to spend money differs based on the venue. Nicholas Watanabe, an assistant professor of sport management in the MU Department of Parks, Recreation and Tourism, says this could provide important marketing and economic information to UFC and other sports leagues dependent on PPV.

"We found that fans who attend live [events](#) tend to be more interested in bouts between fighters of all weight classes, while PPV audiences are more interested in bouts between heavyweights," Watanabe said. "It is important for UFC administrators, as well as officials of other PPV-dependent sports leagues, to understand these audience trends in order to maximize their profits and improve their economic standing."

In his study, Watanabe found that the number of ticket sales and size of live audiences of UFC events does not differ based on which fighters are performing at the event. On the other hand, Watanabe found that PPV audiences are drastically larger for events that feature fighters in the heavier weight classes. Watanabe says this trend is important for UFC when deciding which events they promote for PPV compared to events

they show on broadcast television.

"It appears that those fans who attend UFC live events tend to be bigger enthusiasts of the sport itself, meaning that they seem to be willing to support any kind of UFC event," Watanabe said. "However, PPV audiences clearly favor certain types of UFC events; league officials would be well advised to reserve their heavyweight fights for PPV and utilize their broadcast television fights, which are more numerous, for events between lighter classes of fighters."

Watanabe says that because revenues from broadcast television fights and ticket sales are limited by arena capacity and broadcast contracts, UFC league officials should focus more on appealing to PPV audiences, as those revenues are virtually limitless; the number of PPV packages the league can sell are not capped.

For his study, published in the *International Journal of Sport Finance*, Watanabe examined the differences in the two direct demand sources for the UFC product. Direct demand occurs when a customer pays a fee to directly receive a product or service. In the case of the UFC, customers will view the production in one of three ways: by purchasing a ticket to attend a live event, by purchasing a PPV package to view an event on television, and by watching certain events on cable or television. The first two options are examples of direct demand, where the customer receives the product directly. The third option is an example of indirect demand, where the customer must first purchase a cable subscription to then indirectly receive access to the UFC product.

Provided by University of Missouri-Columbia

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