

# New research finds variable pricing for NFL games increases ticket sales

January 24 2023

---



Credit: Pixabay/CC0 Public Domain

How can a sports team win off the field with variable ticket pricing

strategies? A new study in the journal *Management Science* sheds light on the adoption of variable pricing increases in primary market ticket sales by looking at National Football League (NFL) ticket markets.

The study, "Scoring a Touchdown with Variable Pricing: Evidence from a Quasi-Experiment in the NFL Ticket Markets," looks at primary and resale ticket market data from each NFL regular season [game](#) from 2012 to 2015. The authors find that the adoption of variable [pricing](#) increases primary market ticket sales by 1.59% per game.

"We explore the reasoning behind this positive impact and find that customers embrace lower prices for less popular games and accept higher prices for the more attractive games," says Hayri Alper Arslan of the University of Texas at San Antonio.

Arslan, alongside Necati Tereyagoglu of the University of South Carolina and Ovunc Yilmaz of the University of Colorado Boulder, say this work provides evidence for the increase in option value created by the resale market and explains the positive response to higher prices for more attractive games.

"Through our novel data set, this study sheds light on the interplay between primary and resale ticket [market](#) dynamics and provides important insights for [sports teams](#) that are interested in boosting ticket sales and revenues," says Tereyagoglu.

The study concludes by pointing to the situations in which variable pricing is most effective. "For example, we find that variable pricing has greater success in teams' hometowns with lower income levels and higher income diversity, and creating more game tiers in variable pricing leads to higher sales," adds Yilmaz.

The researchers are clear to point out that although variable pricing

enables sports teams to respond to changing demand across games, reports point to somewhat limited implementation.

**More information:** Hayri A. Arslan et al, Scoring a Touchdown with Variable Pricing: Evidence from a Quasi-Experiment in the NFL Ticket Markets, *Management Science* (2022). [DOI: 10.1287/mnsc.2022.4588](https://doi.org/10.1287/mnsc.2022.4588)

Provided by Institute for Operations Research and the Management Sciences

Citation: New research finds variable pricing for NFL games increases ticket sales (2023, January 24) retrieved 5 July 2024 from <https://phys.org/news/2023-01-variable-pricing-nfl-games-ticket.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.