

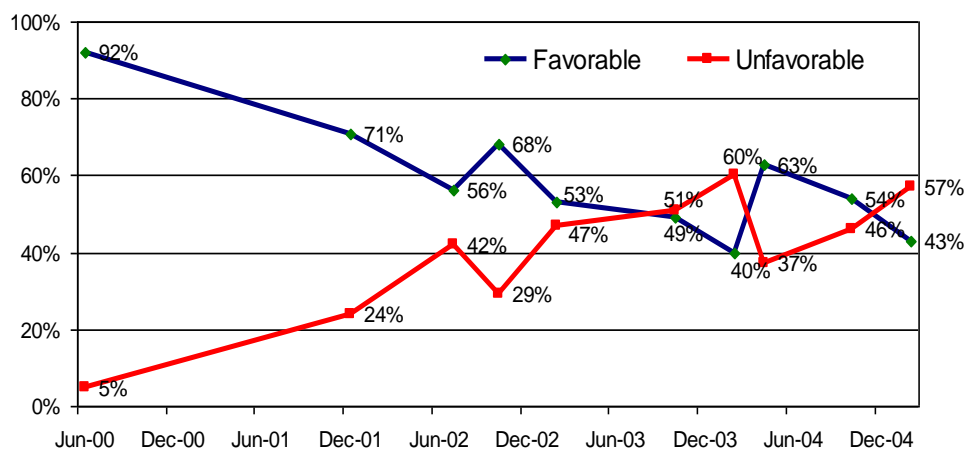
Portland Trail Blazers (Abridged)

The Portland Sports Market

The Portland Trail Blazers had a monopoly on the professional sports market in Portland, Oregon. Without a dominant university sports program affiliated with the city, the team competed only with minor league baseball and hockey for its share of the city's sporting dollars. At just under two million people in the metro area, Portland was the fourth-smallest market in the National Basketball Association.

Each year the Trail Blazers management tracked Portland-area residents' general perception of the team (see **Figure 1**). The historically strong relationship between the team and the city had soured over the past few seasons, with the percentage of people perceiving the team negatively having increased tenfold since 2000. Fan support had dwindled due to a number of widely publicized player transgressions including marijuana use, fighting among teammates, and an incident involving animal cruelty.¹

Figure 1. Portland-area residents' general perception of the Portland Trail Blazers.



Source: Portland Trail Blazers.

¹ Andy Giegerich, "Beleaguered Blazers Play by the Numbers," *Portland Business Journal*, October 29, 2004.

Multigame Ticket Packages

One of the more successful Blazers promotions during the past few seasons had been multigame ticket packages. This program allowed fans to purchase tickets for a number of games at once, and usually included at least one marquee opponent, a game for which individual tickets were difficult to find. The Trail Blazers management saw this program as an effective tool to:

1. Increase ticket sales for less popular games (typically bundled in the package with tickets for hard-to-find games)
2. Increase overall ticket sales because the multigame packages acted as an effective incentive for those who planned on attending only one or two games during the season to increase the number of games they attended
3. Develop more of an ongoing relationship with fans who could potentially become future season-ticket holders

Despite the program's relative success, management wanted to explore all potential packages and better understand which options were most popular with fans. The program's goal was to offer a multigame ticket package that had a high appeal to fans, while being profitable to the team and not undermining current pricing policies.

Designing the Research Study

The Trail Blazers management team hired Acuity Market Research, a Portland-based research firm, to help design its multigame package study. Together, they determined there were six aspects of the multigame ticket packages that drove a customer's decision to purchase:

1. The team the Blazers were playing
2. The day of the week the game was being played
3. The number of games included in the package
4. The location of the seats
5. The price (per seat) of the package
6. The promotional item included in the package

The project team designed a study utilizing conjoint analysis to ascertain the importance of the individual attributes, as well as the likely response of the market to specific multigame ticket packages. Some things were givens: (1) there was a high number of teams in the NBA (30 including the Blazers) and (2) the dates of the games included in the package could not be changed; those attributes would not be included as part of the conjoint products. Instead, questions pertaining to favorite teams and days to watch a game were asked individually, after the conjoint portion of the survey.

An e-mail went out from the Blazers' director of database and Internet marketing to 960 fans who had purchased multigame ticket packages or season tickets in the past but were not current season-ticket holders. The project team decided it was more important to get feedback from people who had already expressed some level of commitment to purchasing Blazers tickets, rather than from general fans of the team, and knew it had current e-mail addresses for this group. Although new fans were always purchasing multigame or season ticket

packages, Blazers management believed past purchasers were likely the best prospects for new multigame packages.

The initial e-mail explained the purpose of the study and asked fans to participate. One week later, a reminder e-mail was sent in hopes of increasing the overall response rate of the study. Both e-mails contained a link to an online conjoint-based survey, which included 20 different conjoint choice tasks (an example is included in the **Appendix**), Blazers-specific questions, and a battery of demographic questions. Most respondents took between 10 and 15 minutes to complete the survey.

Participants were given a chance to win free tickets to Blazers games, as well as autographed Blazers items such as jerseys, basketballs, and posters, for taking part in the survey.

Study Findings

The e-mail solicitations received a total of 204 valid responses (a 21% response rate). Summary statistics regarding demographics and past Blazers-game attendance are located in the **Appendix**.

Acuity began its analysis of the multigame packages by computing the attribute-level utility scores to help better understand the stand-alone preference of each of the individual attribute levels. The utility-score data are shown in **Table 1**.

Table 1. Utility-score data.

Utility	Number of Games
0.03257	3-game create-your-own pack, including 1 elite team and 2 very good teams
0.24383	6-game create-your-own pack, including 2 elite teams and 4 very good teams
−0.2764	10-game create-your-own pack, including any combination of teams.
Utility	Ticket Price
0.65646	\$15 per seat per game
0.22011	\$25 per seat per game
0.126	\$35 per seat per game
−1.00257	\$60 per seat per game
Utility	Ticket Location
−0.73169	300 level, behind the baskets
−0.43716	300 level, on the corners
0.15736	300 level, midcourt
1.01148	200 level, midcourt
Utility	Promotional Item
0.12511	Priority for home-playoff tickets
0.17428	Hot dog and soda with each ticket
0.00158	Trail Blazers apparel (hat, jersey, etc.)
0.01689	\$20 gift certificate for popular local restaurant
−0.31786	No promotional item

Source: Portland Trail Blazers.

While the conjoint study allowed all the attributes and levels to be randomly assigned, in reality Blazers management was unwilling to allow certain price and seating combinations, no matter how well received they were, due to the cost structure of the arena. It disallowed:

- 200-level seats for less than \$60
- 300-level, midcourt seats for less than \$25

Cost of Multigame Packages

While the fan preference was extremely important to Blazers management, any multigame packages the group designed had to be financially attractive and align with the organization's strategic goals. Each of the multigame-ticket-package attributes had costs and strategic implications associated with it:

Number of games: Blazers management preferred the six-game package because it offered the capability of pairing the most popular teams with games that were more difficult to sell tickets to (weekday games, less competitive teams, etc.). Its next preference was a 10-game package, because it allowed the team to efficiently sell a large number of the remaining games to a single fan.

Seat location: Although nearly all the Blazers' stadium costs were fixed expenses, the organization still applied a cost to each of the seat locations in the stadium. This cost structure had to be met, at a minimum, for any tickets that were sold and differed based on seat location. Minimum seat pricing is shown in **Table 2**.

Table 2. Fixed costs based on seat location.

Seat Location	Fixed Cost
300 level, behind the baskets	\$10.00
300 level, on the corners	\$12.00
300 level, midcourt	\$18.00
200 level, midcourt	\$40.00

Source: Portland Trail Blazers.

Promotional items: A direct cost was associated with each of the Blazers promotional items offered to fans. For example, if a hot dog and soda were offered with each Blazers ticket, the team would have to pay the Rose Garden's vendor services a negotiated price of \$3.25 per package. The \$20 gift certificate to a popular restaurant was purchased for a negotiated price of \$10. The restaurateur deeply discounted the gift certificates in exchange for the marketing exposure.

The only promotional item without a direct cost was offering priority for home-playoff tickets, given that the tickets were still sold at full retail price, and multigame ticket holders only received priority in purchasing available tickets. **Table 3** presents the unit cost of each of the potential promotional items.

Table 3. Cost of promotional items.

Promotional Item	Cost
Priority for playoff tickets	\$0.00
Hot dog and soda with each ticket	\$3.25
Trail Blazers apparel (hat, jersey, etc.)	\$12.00
\$20 gift certificate to a popular restaurant	\$10.00

Source: Portland Trail Blazers.

Utilizing the conjoint information, in addition to the other data available from the survey, the Blazers management team felt prepared to design the multigame package it believed the fans would most prefer. What attributes were most important to the fans? What should the Blazers' multigame package include? Should there be more than one? How profitable would each of the packages be?

Appendix

Portland Trail Blazers (Abridged)

Example: Online Conjoint Survey

The screenshot shows a web browser window titled "Microsoft Internet Explorer" displaying a survey page. The page header includes the Portland Trail Blazers logo and the Acuity Market Research logo. The main heading is "Multi-Game Package Study". Below this, the question "Which of the following game packages would you prefer?" is displayed. Two package options are presented side-by-side, each in a table format. The left package is a "3 game create-your-own pack, including 1 elite team and 2 very good teams" priced at "\$25/Seat/Game" with "300 level, behind basket" seating and "Priority for home playoff tickets" promotion. The right package is a "10 game create-your-own pack, including any combination of teams" priced at "\$15/Seat/Game" with "200 level, mid-court" seating and "Hot dog and soda with each ticket" promotion. At the bottom, contact information for Acuity Market Research, Inc. is provided, along with navigation buttons: "<< Back", "Reset", and "Next >>".

\\Desktop1\acuity mr\Current Projects\Blazers\blazers2\blazers2.htm - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Search Favorites Print Mail News RSS Feeds

Address \\Desktop1\acuity mr\Current Projects\Blazers\blazers2\blazers2.htm Go Links Norton AntiVirus

Google Search Web PageRank 110 blocked Autofill Options

BLAZERS **Multi-Game Package Study** **Acuity**
Market Research

Which of the following game packages would you prefer?

Game Package	3 game create-your-own pack, including 1 elite team and 2 very good teams
Price	\$25/Seat/Game
Seat Location	300 level, behind basket
Promotion	Priority for home playoff tickets

Game Package	10 game create-your-own pack, including any combination of teams
Price	\$15/Seat/Game
Seat Location	200 level, mid-court
Promotion	Hot dog and soda with each ticket

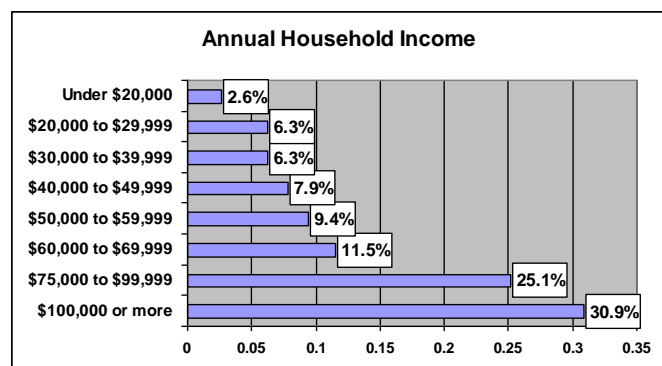
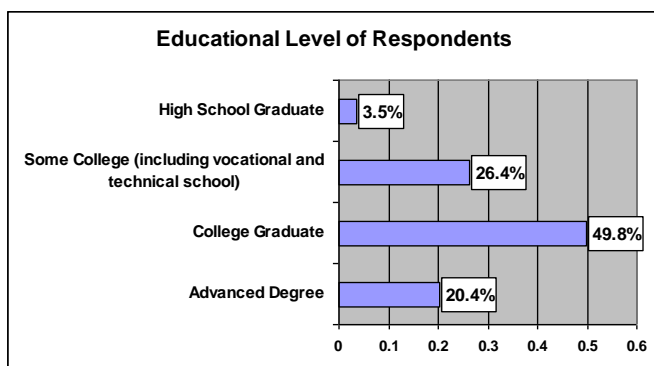
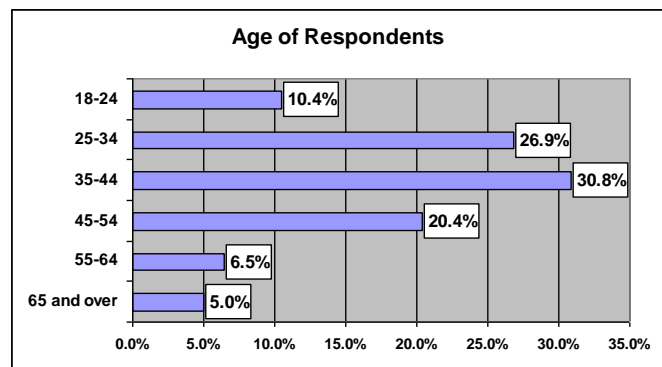
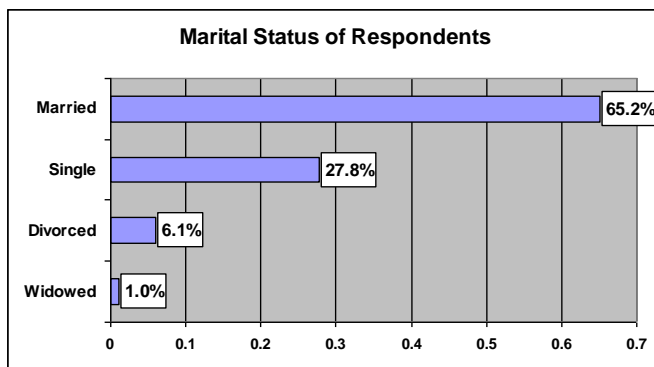
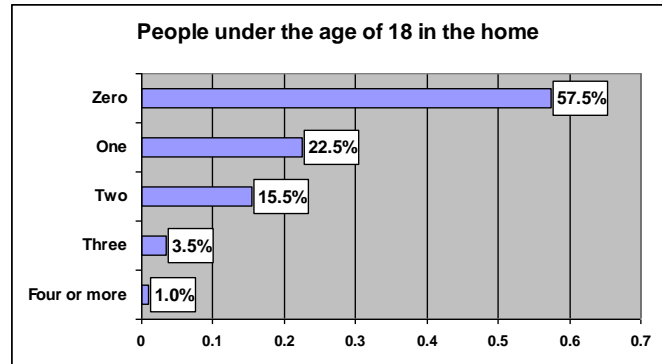
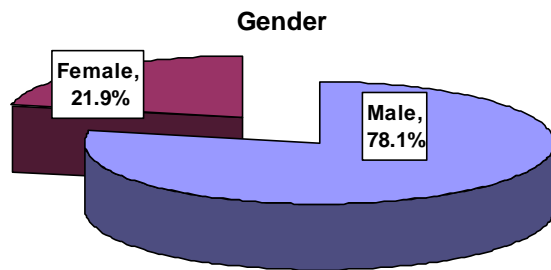
For questions or comments, please contact: Acuity Market Research, Inc.
Phone: 503-977-6295
E-mail: info@acutymr.com

<< Back Reset Next >>

Source: Portland Trail Blazers.

Appendix (continued)

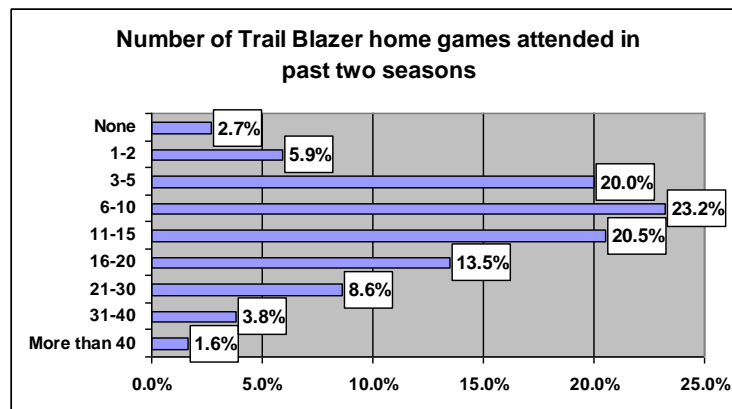
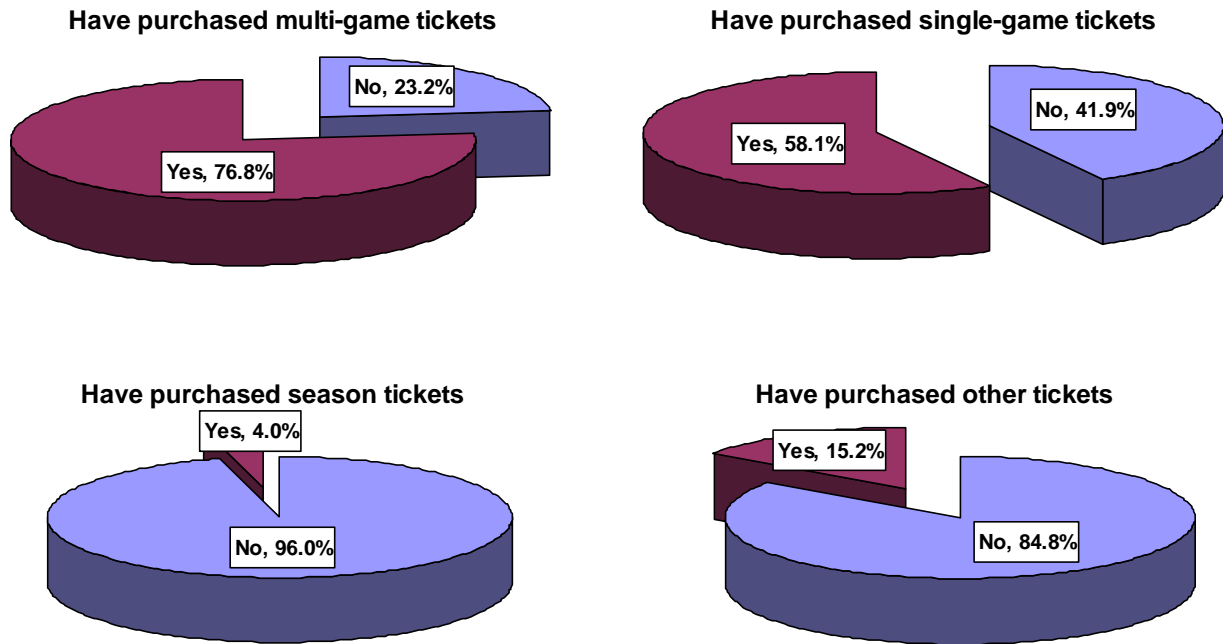
Study Demographics



Source: Portland Trail Blazers.

Appendix (continued)

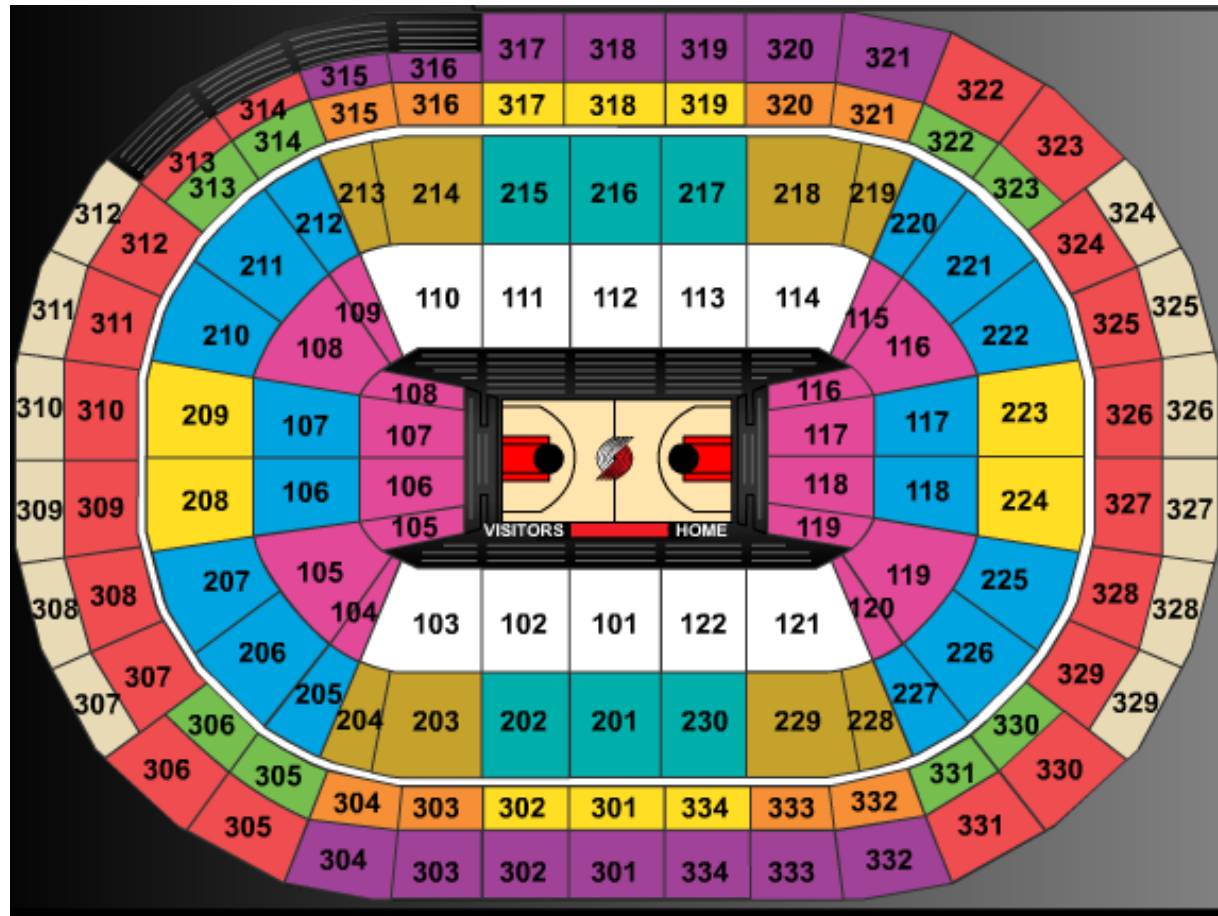
Game Attendance Behavior



Source: Portland Trail Blazers.

Appendix (continued)

Rose Garden Seating Chart



Source: Portland Trail Blazers.

DRAFT