

Consumer Evaluation for Premium Seating: An Application of Conjoint Analysis

Sport Management

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Introduction & Literature Review

Premium seating is a crucial part of the professional sports market and plays an important role in generating revenue for many professional sports teams (Shapiro et al., 2012). In fact, it is reported that premium seating revenues can account for approximately 40% of the total ticket revenues. Generally, corporations use premium seating to entertain their clients and employees; however, it has recently become more accessible to individual sports consumers. To manage premium seating more strategically, it is essential for sports marketers to understand consumers needs and demands including potential consumers.

The purpose of this study is to examine individual consumer's evaluation of premium seating and to specify target consumer segment. Based on the Psychological Continuum Model (PCM; Funk et al., 2001), we allocated spectators into three stages. The PCM help

researcher to understand the differences of consumer psychological connection toward sports by using sport involvement. To clarify the best premium seating product for individual consumers, researchers employed conjoint analysis which is often used to predict new products and services in marketing research (Kalantari et al., 2021).

Methods

The current study was divided two-fold. First was a pilot test using interviews, literature reviews, and internet research that aimed to identify characteristics of premium seating. Second was the main study that further analyzed how consumer preferences for premium seating characteristics differ depending on the PCM stages. From the results of pilot test, we identified five attributes and two or three levels (Table 1) as important factors to consist with premium seating. Then, we conducted an online survey of professional

baseball spectators using a crowdsourcing company in Japan from October 24th, 2021, to October 25th, 2021. The total number of respondents was 423. After the data screening, 366 (valid respondent rate; 87%) sample was used further data analysis.

Table 1: *Attributes and Levels for Conjoint Analysis*

<i>Attributes</i>	<i>Levels</i>		
Seat location	1st floor, behind the back net	2nd floor balcony	-
Food Service	Catering or Courses	Only Drinks	-
Benefit	Team cheering goods	Pre-game practice Tour	None
Price	12,000 yen	24,000 yen	36,00 yen
Capacity	4-5 person	8-9 person	15-16 person

Results

The results of confirmatory factor analysis indicated sport involvement scale was adequate model fit. To segment participants, we employed latent profile analysis, and found three clusters. Based on the PCM framework, we named “Aware fans,” “Attracted fans,” “Attached fans.” Conjoint analysis results clarified price is the most important factor to consider the purchase within all segments. For “Attracted fans” and “Attached fans”, benefit is second, and following food service, capacity,

and seat location. There were slight differences in “Aware fans.” Their result indicated capacity is second important factors and 8-9 person is more desirable. Combining the results of ANOVA and chi-square test, “Attached fans” implied high potential to become target consumers of premium seating.

Discussion & Implication

The results suggested for an individual consumer, price is most crucial when considering premium seating purchase. If teams aim to target individual consumers, it is essential to provide affordable prices as possible. In addition, “Attached fans” have highest intent to purchase premium seating, and their discretionary income and income level are highest within three. Those high involved fans might become new consumers of premium seating. Each PCM segment showed similar involvement score that indicated previous literatures (e.g., Beaton et al., 2009). The segmentation was acceptable, and it is obtained attraction stage spectators are occupied in professional baseball fans. Thus, teams and organizations consider this segment characteristic and management to move up to next attachment stage is important.