When examining the revenue streams for major college athletics, recent media attention has focused on the lucrative broadcast deals signed over the last few years. However, economist Dan Fulks, who annually analyzes revenues and expenditures for college athletics, notes something interesting about NCAA Division I athletics finances; among all FBS schools, the top generated revenue source continues to be ticket sales. According to Fulks’ 2012 report, on average, ticket sales eclipsed the second largest generated revenue source, fundraising, by nearly a million dollars for all FBS institutions. At the FCS level, ticket sales account for a much smaller percentage of generated revenue, but represent the revenue source with arguably the greatest potential for growth when compared to sponsorship or media rights fees. An extremely small percentage of collegiate programs routinely sell out, and even for those programs which operate at near capacity for sports like football or men’s basketball, incremental ticket revenue can be made on other sports. For example, just this past year, the University of Nebraska volleyball program generated more revenue than expenses, thanks primarily to fanatical ticket sales (Sheldon, 2014).

Developing successful programs or possessing a winning tradition are excellent ways to sell more tickets. Statistics show building a brand new stadium or arena tends to work pretty well too, at least in the short term. For college administrators and marketers, however, these routes are often out of their control. In addition, as I like to point out in my sport marketing class, winning does not necessarily guarantee ticket sales. In fact, I have a lengthy list of teams with great records and poor or declining attendance (1974 Oakland A’s, 1993-94 Atlanta Hawks, 2001-02 New Jersey Nets, 2003 Florida Marlins, 2008 Tampa Rays, 2012 Stanford football). This begs the question, then, of what marketing strategies are most likely to produce an increase in ticket sales and attendance. The profit-driven major league professional sports model provides a very good answer.
Outbound Ticket Sales

Most professional sports team executives would suggest the surest way to sell more seats is to hire, train, and resource an aggressive outbound ticket sales team. Outbound ticket sales refers to sport organizations employing staff whose primary function is to develop relationships with existing and potential customers in order to encourage them to purchase tickets. Outbound sales teams strategically grow these relationships by making frequent contacts with existing and future customers through cold calling, networking, and face-to-face meetings, while utilizing multiple sources of communication such as phone, email, snail mail, social media, and face-to-face conversations. At most major league franchises, ticket sales professionals represent the largest front office unit. The majority of major league teams will employ in the range of 100 to 200 employees on the business side of a team. Of those positions, typically 20 to 50 positions will be dedicated strictly to selling tickets, whether it be season or partial plans, groups, or premium seating. In 2007, the Arizona Diamondbacks wanted to improve ticket sales and promptly increased their ticket sales staff from 15 to 50 [SBJ, 2010]. More recently, the Philadelphia 76ers decided to triple their ticket sales force. In fact, at the Sport Marketing Association conference this past fall, 76ers CEO Scott O’Neil said his team has now hired over 100 employees dedicated strictly to selling tickets.

“From my experience working at two other clubs [the NFL’s Atlanta Falcons and the NHL’s Carolina Hurricanes], I know the college ticket sales game is far behind professional model,” said Brian Chacos, who currently heads up the University of North Carolina’s outbound ticket sales efforts. “We should probably be a 10- or 11-person department instead of three. Ticket sales is about volume, how many contacts are you making, how many events are you getting to, how many people you are reaching.”

Before starting her current position as Director of Ticketing and Fan Development at Cleveland State, Carrie Neville spent three and a half years as a ticket sales representative for the NBA’s Atlanta Hawks and NHL’s Atlanta Thrashers.

“Between all our sales departments, we would have between 65 and 75 salespeople,” said Neville. “The big difference [in ticket sales] between pro sports and college athletics is the sheer number of people employed. We had so many more people on the phone, a more diversified staff, with some reps only working on group sales, others with full seasons, another 8 to 12 on ticket holder retention. At colleges, the same person is doing everything.”

Sales positions in sports are one of the few areas where return on investment (ROI) can be clearly demonstrated. In fact, the 76ers’ O’Neil tracks the ROI on his large sale staff and cites a return of $3.31 for every dollar spent on their sales team. In his classic sport marketing book, “Ice to the Eskimos,” former NBA executive Jon Spoelstra (1997) suggests all teams should continue to hire more and more sales representatives until ROI hits a break-even point.

Despite this line of thinking, however, college athletic departments have been slow to hire aggressively in ticket sales. It has been our experience as researchers to see athletic departments hire more robustly in areas like media relations, compliance, academic services, or event management than in ticket sales. While all these areas provide a clear benefit to a department—and every athletic department can show demand for more hires in nearly every area—the revenue generating areas of corporate sales, development, and ticket sales clearly connect a direct line between their day-to-day activities and income. Theoretically, bringing in more revenue allows a department to hire more staff in all areas, which should make sales-related hires a priority.

Dedicated Resources

Outbound ticket sales efforts at the professional sports level have been finely tuned over the last decade or so, and are now complex and strategic operations. Professional teams understand effective sales are a numbers game, and provide their employees with sufficient leads to typically make 80 to 100 calls per day. In fact, most professional sports teams have invested heavily in Customer Relationship Management (CRM) software and other data management or lead scoring tools, enabling sales representatives to target and approach the most likely ticket buying prospects first. Such data-mining and reliance on analytics allows sales professionals to be far more efficient in their work. If sales representatives are able to improve their close rate by only a couple of percentage points a year, the results can mean tens of thousands more dollars generated.
If athletic departments are going to succeed in outbound ticket sales efforts, they must “first and foremost, invest in CRM software and systems,” says Jason Martin, who has spent the past six years heading up the outbound ticket sales team at Ohio State.

He also suggests departments need to develop a positive sales culture.

“I know of some departments trying to implement a sales team, but they have reps who are stuck in the back of the building. Sales needs to be integrated into all departmental activities.”

Creating a successful sales culture takes time, but many professional sports teams have realized the importance of doing so. Recognizing and rewarding sales team members and making sure they are woven into the fabric of the organization’s business operations are becoming much more commonplace in professional sports. In addition, many teams are becoming far more adept at recruiting the right people and training them more effectively. For example, the Pittsburgh Pirates have developed an extensive sales internship program in which cohorts of 18 interns are recruited to the organization twice a year. Each member of the cohort is paid a stipend and given extensive training for nine months. At the end of this time span, recruits are either hired by the organization, or are helped to land another ticket sales position within another major or minor league team or college athletic department. Major League Soccer has developed a National Sales Center in Minneapolis. Every year they bring in dozens of recent college grads, providing them housing and meals, and spending weeks training them in both the art and science of sales. At the end of this experience, nearly all recruits are offered sales positions with MLS clubs. Events like the Sport Sales Combine and the Mount Union Sport Sales Workshop, which are attended by dozens of major league sales managers and hundreds of job seekers, combine sales training and employee recruitment for an industry anxious to find and invest in the next top sales performers.

Ticket Sales in College Athletics

Many college athletics departments have been slow to embrace this sort of aggressive and extensive hiring, recruiting, and training. The reasons for this stance vary.

Thomas Phelps, Executive Sale Associate for External Relationships and Group Sales at Navy, suggests the primary reason might be not truly understanding outbound ticket sales itself.

“It’s a fear of the dark,” said Phelps. “A lot of college athletic administrators have never done sales. Their background might be in operations or fundraisers and donations. Their idea of sales might be selling a program ad, but a lot of them haven’t been part of a pro model for ticket sales.”

In their study a few years ago, researchers Adrian Bouchet, Khalid Ballouli, and Gregg Bennett (2011) examined the reasons an outbound ticket sales program could not be sustained at Big 5 Conference school. Their assessment: [a] a lack of sales experience from senior administrators, [b] a lack of commitment to the sales process by the department, [c] poor communication regarding goals and expectations with sales, and [d] high turnover of sales representatives often due to inadequate training and resources. Athletic administrators with no formal sales experience or training often rely on more traditional or passive modes of marketing such as advertising, promotions, or social media. In some cases, athletic departments are entirely dependent on team success to draw fans. In most instances, these departments will typically have a ticket operations department to handle in-bound sales calls, but waiting for the phone to ring is a far different course of action than out-bound selling.

“With my background in professional sports ticket sales, I think the highest rate of success [in selling tickets] comes from outbound phone calls,” said Neville. “From my perspective, a billboard might help build your brand in the market, but it is not going to sell you tickets. I see direct selling work because I’ve been in that environment at the pro sports level.”

In the course of our research, we asked Division I athletics administrators why they did not adopt a more aggressive outbound sales effort. The explanation most cited was the inability of athletic departments to pay commission or add new positions to their department (McEvoy & Popp, 2012). While commission is the primary incentive tool for nearly all sales positions, regardless of industry, many public universities frown upon or prohibit the practice. Even if commission were allowed, many athletics administrators are
fearful of the repercussions to their department if they were to financially incentivize some staff members for job performance metrics, while not incentivizing others.

Despite this situation, several athletics departments have found creative ways around the commission issue. For example, some schools have established 501(c)3 non-profit fund-raising entities separate from the athletic department. Utilizing this structure allows departments to bypass university rules on paying commission. Other schools pay commission through bonuses paid when employees renew their one-year contracts or work through third-party vendors to pay their sales staff. Some athletic departments have fought commission rules, demonstrating other positions on campus where commission is utilized, such as university development employees or even school newspaper staff members who are financially incentivized to sell advertising.

The fairness issue is also peculiar to us as coaches and athletic directors often have contracts laden with incentive bonuses. Gaining university approval to hire new personnel is also a challenge, despite the reality that most well-trained sport sales professionals often produce three to six times their salary in new revenue.

“Athletics directors need to look at outbound ticket sales in the long-term,” said Martin. “They can’t look at it as if you are going to make a million more dollars in one year, hiring one sales rep. It’s a growing process and athletic departments need to hire folks who will be set up for success by bringing in highly qualified managers who can effectively train.”

Due to these reasons, the marketplace has been ripe for those with ticket sales expertise to enter and succeed. This has certainly happened. Third-party vendors such as IMG Learfield Ticket Solutions and the Aspire Group have developed a successful model to outsourcing ticket sales efforts. These companies have several advantages in this space. First, they are run by executives with extensive professional sport ticket sales experience. Second, as for-profit businesses with multiple clients, they are far more nimble entities, able to hire, promote, and compensate with far less bureaucratic red-tape compared to universities. Third, and perhaps most importantly, these companies invest heavily in recruiting and training employees, which requires a greater up-front cost, but provides far better long-term value. Obviously, outsourcing means sharing revenue. Schools uninterested or unable to resource their own in-house ticket sales team, however, often see a good return on their investment with these third party vendors. In addition, a well-integrated third-party can also produce dividends in development and in customer service by providing more touch points with fans.

While outsourcing ticket sales efforts has shown to be popular in recent years, many athletic departments are also becoming far better at managing sales teams internally.

Schools interested in establishing their own in-house sales efforts often wonder how an effective sales department might be structured. Several excellent examples currently exist at places like Arizona, Cal, Florida State, Northwestern, Ohio State, Oklahoma State, Illinois State, and Washington, to name a few. Some of these staffs consist entirely of full-time sales professionals, perhaps up to 10 individuals. Other programs rely heavily on graduate students or undergraduates, either paid work-study wages or performing the job as part of an internship. Still others employ part-time staff or utilize employees who have other athletic department responsibilities in areas like marketing, development, or ticket operations. Most in-house sales teams are overseen by an assistant or associate athletics director or manager. In some of the most successful cases, this director has previous professional sport experience such as Washington’s David Gravenkemper [who has worked in sales for several MLB teams as well as the Seattle Sonics], Cal’s Ashwin Puri [NBA
league office, New York Jets, New Jersey Nets), or Northwestern’s Kurt Hasenbalg (Chicago White Sox). A recent article in Athletic Management [Carter & Meitin, 2014] outlined in great detail the structure developed between Arizona State Athletics and the Aspire Group to establish an effective selling team. Their formula, modeled after professional sports teams, includes high levels of specialization in areas such as group sales, retention, and new business. This formula could be employed with schools who partner with a third-party vendor or at schools operating outbound ticket sales internally.

Training

One other area where we have seen a dramatic difference between professional sport ticket sales and those in the college space is in terms of training. Because collegiate ticket sales teams frequently rely on interns, work-study students, and graduate assistants—groups with limited experience and professional skills—training is particularly crucial. Unfortunately, many athletics departments are unequipped to train these staff members well. Professional ticket sales trainer Charlie Chislaghi suggests sports teams spend two weeks training with new employees before they hit the phones and that new employees receive regular training throughout their first few years on the job [Irwin, Sutton, & McCarthy, 2008]. Unfortunately in college athletics, this sort of training is practically non-existent. Our research found over 78 percent of athletics departments with outbound sales teams spent fewer than 20 hours of training per year and 32 percent reported no formal training whatsoever [Popp & McEvoy, 2012].

Several ticket sales trainers, such as Chislaghi, Bill Guertin, and Steve DeLay, offer excellent third-party training options. Athletic departments might also turn to their own academic departments. Much to my personal consternation, researchers Andrea Eagleman and Erin McNary [2010] found only 27 percent of academic sport management curricula offer a sales course [despite sales being far and away the best way to break into the sport industry]. Still, many schools do offer sales training, whether it is a sport-specific course in a sport management program, or a more general personal selling course housed in a business school. These courses, and the faculty who teach them, are excellent resources for providing training and employee recruitment. Speaking from personal experience, my sport sales course teaches students a six-step sales process: (a) lead generation, (b) opening the conversation, (c) needs assessment or probing, (d) sales presentation, (e) handling objections, and (f) closing. We use a variety of techniques for this training, including role plays, mock calls to classmates or contacts that I provide, audio and video recording and playback, and peer-assessment exercises. Many of these techniques can be easily incorporated into any athletic department interested in improving their outbound ticket sales efforts.

Wrap-Up

While this article provides a rather brief overview of the state of ticket sales within college athletics, it is far from exhaustive. Unfortunately a real dearth of research exists in the sport management literature in this area. However, several resources do exist for athletics administrators looking to build their sales force or improve their efforts. A great place to start is the Migala Report, a free website devoted to sport marketing. Steve DeLay’s blog entries on the site are particularly useful. The Sutton Impact column in the SportsBusiness Journal routinely offers great sport sales advice as well. Personally, I still use Jon Spoelstra’s ’Ice to the Eskimos’ in my sport sales class, and his updated version, The Ultimate Ticket Sales Toolkit is now available. Bill Guertin’s 800-lb Gorilla website and newsletter is also full of terrific material. Troy Kirby, the Director of Ticket Sales at UC-Davis, also provides some outstanding content on his SportsTao website and podcasts. In fact, Kirby has recently been announced as the president of a new division of NACDA, the National Association of Athletic Ticket Sales and Operations. NAATSO launched earlier this year and will provide another outstanding resource for athletic administrators with an interest in growing ticket sales. This new division is poised to deliver fresh and cutting-edge content to members, including two full days of programming at the 2015 NACDA convention in Orlando, Fla.
USA Today annually publishes revenues and expenses for many NCAA Division I athletic departments. Recently, we specifically examined ticket revenue for schools which implemented an outbound ticket sales program. The chart above shows overall ticket revenue increases of several schools from the year prior to implementing an outbound sales program compared to the year after implementing a program. We also included football records to demonstrate results were not always linked to team success. The cases above represent some of the best success stories in outbound sales efforts. Every program has unique variables impacting the effectiveness of implementing an outbound sales program, and in many cases it may take a year or two for the impact of the sales team efforts to show up. In fact, we have seen several programs collect less ticket revenue the year after implementing an outbound sales program than the year before. However, we believe the above results demonstrate success can be seen quickly and in a significant manner. We are continuing to conduct research assessing the impact of several variables on driving ticket revenue for programs which implement outbound ticket sales efforts. These variables include not only team success and history, but also number of sales representatives employed, number of hours spent training, and call volume.

**Citations**


