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Required Donations: An Empirical Test of Prospect Theory & Framing of Per-seat Contributions in Intercollegiate Athletics

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Required Donations: An Empirical Test of Prospect Theory & Framing of Per-Seat Contributions in Intercollegiate Athletics

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Abstract

The purpose of this study was to examine how per-seat contributions are framed, and attempt to understand the effects of different price frames on consumer perceptions and behavior. In doing so, we apply prospect theory to explain how framing an outcome can change preferences and ultimately purchase behavior. The current study used an experimental design to determine which price frame most influences repurchase intentions, when considering three price tiers (e.g. low, moderate, high) determined in a pretest. Our results indicate the best way to increase purchase intentions when implementing per-seat contributions campaigns is to use the Combination price frame (i.e. one emphasizing both student and personal benefits) in all per-seat contributions marketing communications, regardless of the price of the ticket.

Introduction

An emerging trend in university athletic fundraising is the use of per-seat contributions (PSCs) for season ticket sales. Per-seat contributions are similar to personal seat licenses (PSLs), used primarily by professional sport teams to aid in the financing of stadium and arena development. Sport teams use PSLs to “provide additional revenues for owners rather than substituting dollar for dollar for public funds” (Baade & Matheson, 2006, p.299). Personal seat licenses can be viewed as a ticket tax, where the tax burden is placed on the season ticket holder.

The majority of university athletic departments have not been known to use PSLs (exceptions of course exist; e.g. college football in the 1980s; Mullin, Hardy, & Sutton, 2007). Therefore we investigate the relationship between PSC use and fundraising which supports the financing of a university’s athletic programs and student-athletes. Specifically, we seek to apply prospect theory and framing to understand change in preferences and purchase behaviors. For example, prospect theory suggests consumers make decisions based on the values perceived in the outcome (Kahneman and Tversky, 1979). According to Zolner, Compeau, Jones, and Munger (2010), prospect theory can help explain that outcomes are described to the decision maker by the sender, which in turn influence the decision maker’s value perceptions.

Colleges and universities have seen a tremendous increase in donations over the past few years. For example, the Council for Aid to Education (CAE) released information about contributions to the USA’s colleges and universities. There was an 8.2% increase in funds from 2010 to 2011; totaling $30.3 billion in 2011 (CAE.org, 2012). While this increase in giving was
welcoming to colleges and universities, it still only covered 6.5% of expenses in 2011 (CAE.org, 2012).

When we focus on athletic programs at these universities, we see a troubling situation. According to the 2011 Revenue and Expenses of Division I and II Intercollegiate Athletic Programs, the total expenses in 2011 for the Football Bowl Subdivision (FBS) was $50.774 million. On the other hand, the FBS total generate revenues equaled $38.781 million in 2011. This leaves $10.282 million in negative median net generated revenue for all schools. This was an increase of 8.9 percent from 2010 (Fulk, 2012).

Due to large deficits in athletic departments at many FBS universities (Fulk, 2012), administrators are looking for ways to cut spending, not only in the general operations and education but also athletics. Due to these cuts and limited funding from the university, some argue that today’s intercollegiate athletic programs rely heavily on fundraising and ticket sales (Stinson & Howard, 2007). Therefore it is important to focus on the contributions in college athletics. Over the last decade studies have recognized the importance of fundraising (Shapiro, Giannoulakis, Drayer, & Wang, 2010) as this revenue stream and ticket sales make up over 50% of revenue in FBS programs (Fulk, 2012). According to Fulk (2012), ticket sales make up approximately 28% of generated revenue, while fundraising adds another 25%. Therefore, due to the reliance on fundraising and ticket sales, and the increase in negative median net generate revenue, researchers and practitioners should investigate the effectiveness of fundraising efforts implemented by intercollegiate athletic programs.

In their study of college athletic donors, Gladden, Mahony, and Apostolopoulou (2005) found that some athletic donors often feel required to donate to an athletic program in order to receive ticket benefits. Specifically they found that a quarter of their respondents “indicated at least some feeling they were ‘forced’ to provide donation” (Gladden et al., 2005, p. 25). We argue that PSCs may cause similar feelings. Therefore, we suggest PSCs are “required donations”. That is, the athletic department requires season ticket holders to “donate” money to the athletic department before they can purchase tickets. For example, at one Southeastern Conference School (SEC) the athletic department uses the words “per seat donation” as their communication message. Therefore, while there are seats in many intercollegiate facilities that do not require PSC payment, priority seating options (those in high demand) do require a PSC.

While to the best of our knowledge there is no other type of non-profit sport organization requiring its customers to donate money (i.e. PSCs) in addition to the cost of the good or service being offered (i.e. tickets), a similar model was implemented by the United States Olympic Committee (USOC) in an effort to increase fundraising: According to Mickle (2011), the USOC developed a program that creates hospitality packages for large donors during the London Olympic Games. These packages were developed so that donors who gave more than $150,000 to the USOC were giving a unique experience. The USOC provides airport pickup, “hotel accommodations, arranges tickets to one to two competitions a day, provides access to the organization’s hospitality suite at USA House, and schedules dinners at London’s nicest restaurants” (Mickle, 2011, p. 7). While this is similar to the PSC model (required donation for priority season tickets), this hospitality package for large donations is slightly different (donations lead to better treatment).

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1 The identity of this SEC school and others mentioned as examples in this manuscript can be provided upon request.
In terms of PSCs and their association with value, PSC pricing depends heavily on ticket price tiers. For example, in the same SEC school mentioned previously, the “per seat donation” increases as the ticket gets closer to the playing surface; a good example of using price tiers in PSCs. Athletic departments tend to recognize that this can be an expensive endeavor for their consumers. Nevertheless, this endeavor can be simplified if athletic departments provide an improved explanation/presentation pertaining to highly priced PSCs. This improved explanation can come by a means of utilizing a ‘frame’ to describe an outcome. Essentially, framing defines the description of an element in such a way that the description encourages certain interpretations. In doing so, information providers alter perceptions towards elements so those receiving the information are likely to purchase said elements. While framing research has primarily focused on the psychological motives of individuals (see Zolner et al., 2010; Gladden et al., 2005; Mahony, Gladden, and Funk, 2003), it has been used in various disciplines across the academy. In the current study, we attempt to examine consumers and their perceptions towards purchasing PSCs when PSCs are under the vise of different price frames.

It seems as though the explanations given to season ticket holders concerning PSCs are framed differently across athletic departments. Some athletic departments may focus on the motivations as a way to give back to the university and its student athletes (Gladden et al., 2005; Mahony et al., 2003). Some of these schools suggest the money goes to assisting student-athlete scholarships. Other schools may not explicitly state where the money goes; rather these schools focus on the benefits a PSC gives the season ticket holder (e.g. advantages for future ticket purchases, tax write-offs, etc.). For example, several schools in our analysis provided a diagram of benefits related to donation amount. These benefits include yearly tax receipts, window decals, lapel pins, membership cards, sport specific tickets, parking, post-season tickets, annual buffet invitation, the alumni magazine, and online member’s area. Regardless of the reason expressed, most schools articulate the importance of donating money to the university in some manner.

While the increased use of PSCs in athletic departments across the United States gives administrators a strategy to increase charitable contributions through an innovative pricing mechanism, it also introduces a dilemma to season ticket sales departments: What is the best method of describing a PSC to potential season ticket holders? That is, what frame is best suited for offering PSCs to potential season ticket holders? For in finding an appropriate frame for offering PSCs, season ticket holders may be more likely to purchase PSCs due to an altered interpretation of the PSC.

The purpose of this study was to examine how PSCs are framed, and attempt to understand the effects of different price frames on consumer perceptions and behavior. Particularly, the authors assess whether seeing various framing techniques have an influence upon purchase intentions. In doing so, we apply prospect theory to explain how framing an outcome can change preferences and ultimately purchase behavior. In addition to prospect theory, measurements for fan identification are examined.

While philanthropic activity and ticket sales have been examined in college athletics (relationship between these motives; Gladden et al., 2005), there is a paucity of literature investigating framing, PSCs, and purchase intentions. This study will add to the existing literature by being the first to examine the use of PSCs in intercollegiate athletics, the framing of its messages, and its influence on purchase intentions in a controlled laboratory environment.
Theoretical Framework

Prospect theory

Before we begin to explore prospect theory, we want to first recognize the theory in which prospect theory is derived: expected utility theory. The axioms of expected utility theory were developed by Von Neumann and Morgenstern (1944) in an attempt to define a rational decision maker. Expected utility theory is a foundational method for describing choice in the realm of economic behavior (Kahneman & Tversky, 1979). According to Tarnanidis, Owusu-Frimpong, and Marciniak (2010), utility theory suggests, “individuals seek absolute maximization of an expected value that they derive rationally by evaluating different choice alternatives and selecting the option that has the maximum return” (p. 271).

This method was developed and expanded into prospect theory (Kahneman & Tversky, 1979, 1984; Tversky & Kahneman, 1981). In short, utility theory suggests the absolute best choice and preference is used; however, “prospect theory argues that while individuals act in this way they make subjective evaluations which the world of specific presuppositions would regard as irrational” (Tarnanidis et al., 2010, p. 271). Within the development of prospect theory, Kahneman and Tversky (1979) proposed “the value function is (i) defined on deviations from the reference point; (ii) generally concave for gains and commonly convex for losses; (iii) steeper for losses than for gains” (p.279) (this value function is graphically displayed in Figure 1). To put this more precisely, when a decision maker compares options, they determine the value of the possible outcomes. The decision maker then determines if the value is a gain or loss. As the consumer devalues an outcome, the perceived loss is then presumed. Furthermore, the perceived loss drops at a steeper slope as the value of the outcome lowers.

According to Zolner et al. (2010), “prospect theory offers a more descriptive theoretical perspective that incorporates the notion of phrasing differences in equivalent economic alternatives” (p. 3). In other words, prospect theory suggests the way outcomes are described (i.e. framed) to the decision maker, and how these descriptions influence the preferences of the decision maker. The value function (Figure 1) is affected by the way an outcome is framed.

Prospect theory & athletic giving

The extant literature on giving to athletic departments has focused on the motivations of donors (i.e. why they give) and the current scope of the athletic fundraising literature (Gladden et al., 2005; Mahony et al., 2003; O’Neil & Schenke, 2007; Shapiro et al., 2010). However, there is limited published research that focuses on how marketing messages have affected donors’ perspectives and behaviors. Therefore, the application of prospect theory seems to fit well into the discussion of price frames and athletic giving.

As with any decision, prospect theory suggests that consumers base their decisions off of a value function; the evaluation of alternatives is centered on the value of the outcome to the decision maker. In the context of PSCs, donors consider the value that is being created. Unique to charitable contributions in sport, we find that donors have motives different than contributions to traditional causes. For example, some donors give to the athletic department due to philanthropic reasons (e.g. provide money for student-athlete scholarships, improve the athletic program, etc.). On the other hand, some donors give to the athletic department for benefits to
themselves (e.g. priority seating, membership benefits, etc.) (Gladden et al., 2005; Mahony et al. 2003). Therefore, prospect theory is relevant to the context of charitable contributions in college athletics because the donor has to determine gains and losses based on philanthropic and benefit reasons. This may not be the case in a traditional donation setting which may cause donors to primarily focus on philanthropic motives.

Before we present any hypotheses relating to prospect theory and framing, we must first examine the various aspects of how season ticket holders identify with a university’s athletic team, and how the athletic department uses framing to communicate outcomes.

**Fan identification**

The examination of fan identification is important to athletic departments introducing PSCs. Per-seat contributions require season ticket holders to give beyond what the season ticket holders normally expect. This action requires season ticket holders to believe in, and identify with, the university’s athletic department. Therefore, when examining the way PSCs are described we must acknowledge the importance of a fan’s identification with the university, athletic department, teams, and student-athletes.

One of the most commonly assessed situations of identification in sports is the effect of a team’s win/loss record. According to Wann and Branscombe (1993), a team’s performance, in conjunction with a fan’s identity with the team, affects loyalty. For example, when a team is losing, highly identified fans are more loyal than those who are less identified with the team. Furthermore, when Judson and Carpenter (2005) focused primarily on fans and their identification with the university and its athletic programs, they found that fans placed a lesser amount of importance on winning. Judson and Carpenter (2005) ascertained, “the more highly identified the individual, the more games they attended, the more money they spent, and the more they perceived the program as value for money” (p. 225). They also found identity to be associated with social interaction, team pride, and following the team and its statistics. Interestingly, Judson and Carpenter (2005) found the highly identified fan placed less importance on the game’s uncertainty. One can argue that those purchasing season tickets are likely to be more loyal than those that purchase single game tickets. Therefore, as PSCs are marketed to those individuals who are purchasing season tickets, and due to the lack of importance placed on winning by those who are highly identified, winning is not necessarily a factor requiring measurement when examining PSCs.

In the context of athletic donations and college athletic support, some research has focused on points of attachment. For example, Woo, Trail, Kwon, and Anderson (2009) posit “that motives can be divided into fan motives and spectator motives, and these motives were related to different set of points of attachment: organizational identification and sport identification” (p. 38). In other words, donors may make decisions based on their points of attachment with both the organization and the sport. Furthermore, Robinson and Trail (2005) suggest that these points of attachment and motivations should be considered when marketers at university athletic programs create their marketing messages.

**Athletic Donations**

The literature regarding fundraising in intercollegiate athletics has focused a lot on motives of donors. Some literature has focused on the influence winning has on donation amounts, while others have focused on the different donor levels. However, the primary focus of the current
study is on the donors’ perception of frames. Therefore, it is important to focus more on their motives behind donations.

“Graduates are assumed to be proud of their degrees, and wish to repay the institution through their donations” (Stinson & Howard, 2004, p.130). Research has examined the motivation behind donations to universities (Holmes, 2009) and athletic programs (Gladden et al., 2005; Mahony et al., 2003; Tsiotsou, 2004, 2007; Stinson & Howard, 2010). This research suggests marketing departments at these athletic programs should focus on these motives in their marketing messages. However, they do argue that this message should not change based on giving amounts. In other words, they found lower level donors and high level donors have the same motivations (Mahony et al., 2003). They suggest the difference between these two levels is that the high level donors are able to give more than the lower level. Applied to the current study, Mahony et al.’s (2003) finding may posit that marketers should emphasize personal donor benefits in their messages, regardless of PSC level (price tier).

A further examination of the motivations of athletic donors was conducted by Tsiotsou in 2007. This study found four motivational factors donors usually consider: (a) belongingness, (b) trusting, (c) prestige, and (d) social and practical motivation. Belongingness is the motive “related to identification, loyalty to and association with the university” (Tsiotsou, 2007, p. 86). Trusting refers to the amount of trust the donor has with the university’s leadership and vision. Prestige does not refer to the individual’s self prestige, but rather one’s ability to help the university’s prestige through donation to athletic programs. Finally, and most applicable to PSCs, social and practical motivations refer to the “utilitarian, tangible motives (e.g. tax deductions, priority seating)” (Tsiotsou, 2007, p. 86). Therefore, those season ticket holders purchasing tickets with PSCs may do so with member benefits and priority seating as a motive, beyond attending the events.

**Framing**

When individuals want to persuade someone to take action, they use framing to describe the outcome. For example, when physicians want a patient to begin treatment they frame the description of the treatment and outcome(s) in a positive optimistic manner. Likewise, if the physician does not think a treatment is needed, they will likely describe the negative side effects of the treatment. Therefore, information providers use framing to “influence decisions without distorting information” (Peters et al., 2006, p. 407).

As we examine the different aspects of framing, we would like to preface the discussion with the aim of the framing activity. Framing research has primarily focused on the psychological motives of individuals (see Zolner et al., 2010). In other words, framing research attempts to discover why people behave the way they do. While this research has been created in the psychology discipline, it has been utilized in various disciplines across the academy. Therefore, since this study focuses on ticket management and donation levels at universities, we will focus our discussion on business and non-profit donation framing.

Framing is rarely discussed without mentioning the use of prospect theory. The reason for this association is because prospect theory allows for several alternatives to choose from. The way these alternatives are described (framed) often affects how the decision maker chooses their option. There are two general types of frames when discussing prospect theory. The first type of frame is negative in nature. Here, the focus on the outcome is negative. Likewise, a positive frame focuses on a positive outcome (Arora, 2008).
While positive and negative frames are two general frames, there are other types of frames. The type of frame being utilized depends on the situation and outcome needing to be described. For example, the way prices are framed can directly affect how consumers view discounts. DelVecchio, Krishnan, and Smith (2007) examined the difference between price promotions involving percentage discounts and cents discounts. DelVecchio et al. (2007) found consumer’s post-purchase price expectation and choice were higher when the firm framed discounts in a percentage-off format.

As previously mentioned, prospect theory proposes people behave in ways giving them the best outcome; and these behaviors are based on presumptions formed within their environment. That is, prospect theory suggests the way outcomes are described (i.e. framed) to the decision maker, influences the preferences of individuals. Therefore, how an outcome is framed for consumers has a great impact on how the consumers view their best outcome. Based on prospect theory and framing, the following research question has become our overarching focus of the current study.

**Research Question:** Does the manner in which athletic departments frame their PSCs to season ticket holders influence the season ticket holder’s perceptions and purchase behaviors (outcome)?

The way PSCs are framed to season ticket holders varies across athletic departments. In an attempt to categorize the PSC framing techniques of athletic departments, we analyzed 10 NCAA FBS Division I athletic departments using PSCs in their football and/or basketball season ticket plans. To do this, we used content analysis. This process involves the observation of publicly available information (in our case athletic department websites). The information on these websites were reviewed by the authors and message frames were grouped using a coding system. The elements of the coding process included theme information (e.g. the persuasion method), details of information about the PSC process (e.g. how to go about purchasing PSCs), and the inclusion of student support (e.g. message student focused). When searching for the framing technique we examined content of website promotional material. The results of this search revealed four categories of framing. The entire content coding process can be learned by contacting the lead author.

The first category will be referenced henceforth as **Student-Athlete Benefit.** According to the NCAA, an athletic booster’s role is to “support teams and athletics departments through donations of time and financial resources which help student-athletes succeed on and off the playing field” (NCAA.com, 2013). This relationship between student-athletes and donors may cause athletic departments to focus their messages on how donors can help student athletes succeed. This has been found to be one of the primary motives behind donations to athletic departments (Gladden et al., 2005). Therefore, in this category the athletic department translates the outcome of the PSC as a benefit received by the student-athlete. An example of this frame is: “Your charitable contribution helps the student athlete by providing opportunities for scholarships.” This “opportunity” may be due to directly funding scholarships or by the athletic departments indirectly reducing the amount of scholarship money needed. Regardless, the consumer has been told their money will help student-athletes.

Drawing from social identity theory, season ticket holders sometimes feel they need to be connected with a team’s identity. In doing this, they are attempting to fulfill an increased need to be associated with the team. In addition, positive framing messages have shown to be effective
in producing auspicious outcomes (Grau & Folse, 2007). Therefore, the Student-Athlete Benefit frame may give these highly identified fans a way to feel like they connect directly with the team. Finally, the studies in the athletic fundraising literature have suggested that motives related to impacting the program and its student-athletes in important to donors (Gladden et al., 2005; Mahony et al., 2003). Based on the social identity theory, and the literature in the CRM and athletic donations framing literature, we developed the following hypothesis:

**Hypothesis 1:** There will be a positive association between the Student-Athlete Benefit frame and repurchase intentions.

The second category can be described as the Personal Benefit frame. Here, the athletic department highlights the benefits season ticket holders will receive. For most of these universities, donors are given points for their charitable giving. These points may be used for future opportunities to purchase tickets, or priority for high demand or premium tickets. Studies have shown that a motive behind donations to athletic departments is the benefit of receiving better tickets (Gladden et al., 2005; Mahony et al., 2003). In addition, most communications within this category mention the ability of the season ticket holder to use the PSC as a partial tax write-off (typically 80% tax deductible; Eichelberger & Babcock, 2012). They are able to do this because it is considered as charitable donation, due to the university’s non-profit status. An example of this frame is: “Your per-seat contribution will give you extra opportunities for better seating for future events and seasons. In addition, it can be used as a tax write-off.” Here the athletic department is framing the PSCs as a personal benefit, which may lessen the perceived loss within the value function.

In the Personal Benefit frame, the message provides the less identified fan an outcome that will lessen the perceived loss of money. In other words, the season ticket holder is gaining something from this donation (better seats and a tax write-off). However, because highly identified fans may purchase season tickets to be more involved with the team (social identity theory), their focus is not on the commitment needed; they are committed because of the team (Madrigal, 2001). Furthermore, Das and Kerr (2009), posit that donors engage in philanthropic activities as a way to advance the donors self-interest. Therefore, messages that engage the motives of donors could have “a direct impact on the likelihood of targeted consumers participating in donation exchange” (Das & Kerr, 2009, p. 70). Based on the extant literature in the non-profit framing, as well as the athletic fundraising literature, the following hypothesis was created.

**Hypothesis 2:** The Personal Benefit frame will increase repurchase intentions as the price level increases (greater loss potential). Note: These price levels will be set during a pretest and will be categorized into three levels (low, medium, and high).

The third category can be described as the Combination frame. In this frame consumers hear a message that not only benefits student-athletes, but also benefits season ticket holders. Because much of the literature in donor motivations has shown these two areas to be important to donors (improve the athletic program/help student athletes and receive better tickets), it is not surprising that we see these benefits combined in their messages (Gladden et al., 2005; Mahony et al., 2003). An example of this frame is: “Your charitable contribution gives you the best seats in the house, while helping student athlete scholarships. In addition, it can be used as a tax write-off.”
In the Combination frame, the season ticket holder is presented with the best outcome for the student-athlete and themselves. This gives the season ticket holder a feeling of being part of a “win-win” situation. The students are benefited and therefore the team or department may be more likely to succeed, and they receive a benefit themselves (i.e. member benefits). Based on prospect theory (choosing the best outcome, based on presumptions about the situation) and the donor’s intrinsic motivation to give, the following hypothesis was created:

_Hypothesis 3: Regardless of price levels, the strongest positive relationship between the frame and repurchase intentions will be with the Combination frame._

The fourth category can be termed the Information frame. This frame merely states the facts of the situation. The athletic departments give the season ticket holders information about the PSCs, but never frame it towards a specific outcome. An example of this frame is: “In order to purchase your ticket, a $100 fee is required.” The season ticket holder never hears anything about the contribution, the benefit for the student-athletes, or the benefit for themselves (e.g. better seats and tax write-off). The frame is simply an information based frame.

Because this frame does not give the season ticket holder any incentive to purchase the tickets, one could perceive this frame as only presenting a negative outcome: it costs more. In a market where demand is sensitive to price changes, the information based frame can be seen as a demand driven pricing strategy (i.e. as price goes up demand goes down). Furthermore, since the basis of prospect theory is selecting the best outcome, presenting only a negative outcome would most likely present the decision maker with a worst decision. Therefore, based on this premise of prospect theory, the following hypothesis was created.

_Hypothesis 4: Regardless of price level, there will be a negative relationship between the Information frame and repurchase intentions._

A concern may arise when developing these frames; don’t most universities use a combination frame? In other words, are there athletic programs that do not include both the benefit to students and donor in their marketing of PSCs? The answer is yes there are. In our analysis of universities that use PSCs, we found that each of these frames are representative of messages being used today to market PSCs. While the university may develop messages to their donors that include the student athlete, the university support, and the personal benefit, not all of these are used in marketing messages for PSCs. For example, we found that there were multiple instances where the messages for PSC implementation were framed only as benefiting the student athletes (found specifically at some Atlantic Coastal Conference [ACC] schools). However, we also found that some universities formatted their PSC messages around the personal benefit (found specifically at some Pacific-12 and SEC schools). Furthermore, we also found a few schools that did not develop their PSC message with any benefit at all (information only); whether it be student athlete or personal benefit (found specifically at some Conference USA schools). Finally, we found several universities that used both the student athlete and personal benefit as their message theme for PSCs (found specifically at some SEC, Big 12, and ACC schools).

Therefore, each of these frames are used across the country at NCAA FBS Division I athletic programs to market PSCs.

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2 The identity of the schools in this section can be provided upon publication, if requested.
Methodology

Participants

The sample consisted of 349 undergraduate students at a large southwestern university in the United States (see Appendix A for a breakdown of sample demographics). While the use of college students as participants is not ideal for theory confirmation or generalization of results, the current exploratory study uses college students as a way to “provide an efficient means to develop theories before testing their generalizability to broader samples” (Dasgupta & Hunsinger, 2008, p. 94). College students are current consumers, and future alumni of the university. Therefore, understanding current students can help attract them once they are alumni. There are examples in the identification literature (specifically those looking at points of attachment in college athletics; see Kwon, Trail, & Anderson, Robinson, 2005, and Woo et al. 2009) where student samples have been used to make inferences about phenomena. Likewise, in our study the use of a student sample is ideal, however a student sample fits within the demographic targeted for sports event. Furthermore, examining student samples is an important part of this target market and thus used in the experiment.

A large portion of respondents reported a low annual household income (48% reporting less than $15,000). While income may play a role in donation levels, some have suggested that the motives of donors to athletic departments do not change based on donor levels (Mahony et al., 2003). For example, Mahony et al. (2003) suggest that “the psychological commitment of a low level donor is about the same as high level donors. The high level donor may simply be giving more because he or she has more money to give” (p. 21). Therefore, while our sample has a relatively low income, marketers in intercollegiate athletics departments should not consider our sample limited due to the income differences. There are PSC price tiers for all donation levels.

Procedure

Upon providing consent to participate, participants were asked to complete a survey containing several sections. The first section of the survey contained questions pertaining to demographics assessing participants’ age, race, income, and gender. A modified version of Dimmock & Grove’s (2006) 7-point, 9 item team identification scale was then utilized to inquire upon participants’ identification with the university’s football team (e.g. “the university’s football team is worth supporting”). This scale was then analyzed as high or low based on mean scores of the measure.

Participants were then asked to respond to a questionnaire inquiring about their intentions to repurchase season tickets based on a fictitious scenario. Participants were put in a scenario in which they were under the assumption that a) they were current season ticket holders and b) the current season ticket prices were reasonable and fair (see Appendix B). Within this scenario, participants were asked about their intentions to repurchase season tickets, given that their choice to repurchase season tickets was presented upon one of the aforementioned frames (Student-Athlete Benefit, Personal Benefit, Combination, and Information) and one of three pricing levels.

The procedure used to select these frames came from a content analysis of NCAA FBS Division I athletic departments that used the term “per seat donation” or “per seat contribution” to describe their PSC. These schools were selected from multiple conferences across the nation. Following their selection, we coded the data and based our themes off of patterns found in the
data (see comments in the review of literature section to determine coding structure). These themes were focused on benefits to the athletic department, the student athlete, the donor, and information only frames.

Following Zolner et al.’s (2010) example in which the authors utilized a pre-test to determine prices for a framing experiment, the current study’s experiment determined three pricing levels based upon the current experiment’s pre-test. Given this development, the last section of the survey included a single 7-point question examining their intention to repurchase season tickets (e.g. “What is the likelihood you would repurchase your season tickets?”).

In the current study we seek to discover which of the aforementioned frames best predict season ticket repurchase intentions. Furthermore, we seek to ascertain the role identification plays in purchase intentions. Therefore, a 4 X 3 X 3 analysis of variance (ANOVA) factorial design is utilized, in where there are four levels of framing (Student-Athlete Benefit, Personal Benefit, Combination, and Information) three levels of pricing ($300, $600, & $1200) and three levels of identification (low, medium and high).

Pretest

In Zolner et al.’s (2010) experiment the authors developed three levels of pricing for their item. They did so by conducting a pretest where participants determined fair and acceptable prices. They then used these prices in their experiment. Following this method, a final pretest sample size of 35 undergraduate students was collected. These students were from the same university as the final sample, and revealed similar demographic characteristics. To determine price levels, participants answered an open-ended question. This question asked them to state what they believed a fair low, medium, and high priced PSC would be. This procedure followed Zolner et al.’s (2010) methodology. The pretest revealed the three levels of price (by rounding average stated prices to the nearest whole hundred dollar figure) to be $300 (low), $600 (moderate), and $1200 (high). In addition, the pretest results showed an acceptable Cronbach’s alpha of .961 for the team identification scale (Hair, Anderson, Tatham, & Black, 1998).

Results

The comparison examination involved an Analysis of Variance (ANOVA), in which purchase intentions functioned as the dependent variable, and pricing categories ($300, $600, and $1,200), framing categories (Student-Athlete Benefit, Personal Benefit, Combination, and Information) and identification levels (low, medium, and high) functioned as the independent variables. Means and standard deviations are shown in Table 2. The ANOVA revealed a significant main effect for pricing, $F(2, 326) = 8.045, p < .001, partial η² = .047, indicating a significant difference amongst purchase intentions between the three pricing levels, $300, $600 and $1,200. The ANOVA also revealed a significant main effect for framing, $F(3, 326) = 3.258, p = .022, partial η² = .029, indicating a significant difference amongst purchase intentions between the four framing categories (Student-Athlete Benefit, Personal Benefit, Combination, and Information). The analysis also indicated that the interaction between frame and price was not significant, $F(6,326) = 1.934, p = .075, partial η² = .034. This indicates that regardless of the price, consumer’s purchase intentions differed. These findings reject H2.

In order to examine the differences amongst purchase intentions between the four different framing categories, Duncan’s post hoc test was utilized. Duncan’s post hoc test was used due to its common use in the sport marketing literature. Post hoc analyses reveal a significant
difference ($p < .05$) between the Combination frame and the Personal Benefit frame, as well as a significant difference ($p < .05$) between the Combination frame and the Information Frame. That is, purchase intentions for the Combination frame ($M = 3.96$) were significantly greater than the corresponding scores for the Personal Benefit ($M = 3.40$) and Information ($M = 3.10$) price frames, supporting H3 and H4. Post hoc analyses also revealed that the Combination frame did not differ significantly ($p > .05$) from the purchase intentions of those encountering the Student Athlete Benefit frame ($M = 3.47$). In addition, the Student Athlete Benefit frame does not significantly differ ($p > .05$) from the Information or Personal Benefit price frames, only partially supporting H1.

In addition to the framing effects, we sought to ascertain the role identification plays into purchase intentions. The ANOVA revealed a significant main effect for identification, $F (2, 326) = 21.879$, $p < .001$, partial $\eta^2 = .063$, indicating a significant difference amongst purchase intentions between the three identification levels (low, medium and high). Furthermore, when examining the interaction between price frames and identification, results suggest that the interaction is significant, $F (3, 326) = 3.719$, $p = .012$, partial $\eta^2 = .033$.

**Conclusion**

The purpose of this study was to examine how PSCs are framed, and attempt to understand the effects of different price frames on consumer perceptions and behavior. In doing so, we apply prospect theory to explain how framing an outcome can change preferences and ultimately purchase behavior. Our results indicate significant differences between the outlooks on different price frames.

In seeing a significant difference amongst purchase intentions between the four framing categories, the results address our overarching research question, suggesting framing PSCs will be influential upon season ticket holder perceptions and purchase behaviors. This suggests that the way sport marketers present price changes to a consumer will influence the consumer’s response. The current study supports the findings of scholars in other disciplines (Levin & Gaeth, 1988; Meyerowitz & Chaiken, 1987; Zolner et al., 2010) as it relates to the intercollegiate sport industry. In addition, the extant literature in the non-profit athletic fundraising literature suggests that the motives behind donors actions are based on their attempt to help the athletic department, the student athlete, or what would benefit themselves (Gladden et al., 2005; Mahony et al., 2003). Therefore, the current study has provided an extension to the fundraising literature by showing the framing effects on purchase decisions.

Our hypothesis 2 suggested that consumers who spend more will likely repurchase more when presented with the Personal Benefit Frame. Our findings also indicate that regardless of the price, consumer’s purchase intentions differed; thus rejecting our original supposition that the Personal Benefit Frame has the ability to increase repurchase intentions as price levels increase. This suggests that sport organizations that implement the personal benefit frame need not segment their communications based on price tiers; their repurchase intentions are the same regardless of the price consumers pay. This is similar to the findings of Mahony et al. (2003), who found that, regardless of the level of donation to the athletic department, donors have similar psychological commitments to the team/department. Therefore, marketers may benefit from developing a consistent personal benefit frame regardless of the price tier.

When examining the differences between price frames, our results indicate the Combination frame ranks highest amongst all price frames with regards to repurchase intentions, while the
Information frame ranks lowest. Furthermore, and in accordance with our third and fourth hypotheses, the Combination frame upheld the strongest positive relationship with repurchase intentions, while the Information frame upheld the strongest negative relationship with repurchase intentions. Based on previous findings in the athletic fundraising literature, these results are not surprising. For example, much of the literature has suggested motives behind donations are based on the benefit to the student-athlete and program, as well as the benefits the donor enjoys (Gladden et al., 2005; Mahony et al., 2003). Drawing on prospect theory, by not providing any message related to the outcome of the PSC (student or personal benefit), donors are not able to determine a value of their potential outcomes. Thus, by framing messages in a way that supports the motives of donors, PSC marketers are able to give donors an outcome to center their value determination around. Therefore, we suggest that the best way to increase purchase intentions when implementing PSC campaigns is to use the Combination frame (i.e. one emphasizing both student and personal benefits) in all PSC marketing communications, regardless of the price of the ticket.

Our study also indicates a significant relationship between the Student Athlete Benefit frame and repurchase intentions. In other words, our findings suggest that when consumers consider repurchasing tickets with a newly implemented PSC, they should be presented with a comment regarding how their PSC payment will help the student athlete. The extant literature in athletic donation motivations may shed some light on this finding. For example, Gladden et al. (2005) found this to be the third highest rated motivation behind athletic donations. While this was behind a need to help the athletic program (primary) and for better tickets (secondary) (Gladden et al., 2005), this was a focus of donors and we suggest it should be addressed in all PSC communications.

Limitations and Future Research

Though this research reveals positive results towards the framing of PSCs, it also raises a number of concerns to be addressed by future researchers. First, the data were collected from individuals at only one university, which is located in the southwestern United States. Future researchers should seek to develop similar studies through the United States as PSCs are becoming a growing concern for universities throughout the country.

Another limitation for this study is the use of a student sample. While students are representative of the individuals who will be targeted for such framing efforts (future alumni and fans), the use of actual season ticket holders would have made the results more generalizable. According to Dasgupta & Hunsinger (2008), “student samples provide an efficient means to develop theories before testing their generalizability to broader samples” (p. 94). As the current study is exploratory, and while a student sample is a major limitation to generalizability, it is the first step taken toward better understanding ticket pricing behavior. Furthermore, experimental studies that use student samples have been a topic of debate in recent years (Lynch, 1982; Peterson, 2001). Much of this has been focused on the negative side of their inclusion in studies. However, one suggestion is that when student samples are used, future studies should duplicate the experiment with a nonstudent sample (Peterson, 2001). Therefore, future research should investigate PSC frames with a nonstudent sample.

While results suggest the combination frame works best for framing PSCs, these findings may encounter a modification amidst different settings. While the current study examined the framing of PSCs, it did not take into account the stature of the university’s sports teams. Attitudes towards student-athlete benefit donations may be affected if the athlete and/or the sports teams...
have tarnished reputations, for example. Furthermore, the stature of the sports teams may be influenced by win-loss record, and therefore may impact perceptions towards PSCs. Researchers should take this aspect of stature into account when conducting future studies on framing PSCs.

Additionally, the current study fails to address the differences between university settings where PSCs are common and where PSCs are new to a university. The concept of PSCs may be a relatively new concept for some institutions and therefore certain price frames may carry more value than others. The same may be said for institutions having PSCs for a number of years. Due to a difference in perception towards the PSC itself (the PSC being a new or old concept), the framing of the (new or old) PSC may sway a consumer’s purchasing decisions. We suggest researchers focus on a comparison study of PSC framing between universities having had PSCs for quite some time, and universities that are new to implementing PSCs.

One research line that may inform the current use of PSCs in intercollegiate athletic pricing is the further examination into donor motivations and repurchase intentions. While much of the literature in athletic fundraising has focused on motivations of donors, future research should focus more on the connections between framing of message toward these prevalent motivations (e.g. helping the athletic program, priority tickets, etc.) and repurchase intentions.

Another area of interest may be the investigation of value donors place on the service they receive as being a PSC contributor. In other words, as we have seen service elements integrated into the USOC’s donor hospitality program, how does the way athletic departments activate these PSC accounts (before, during, and after the event) influence their perceptions and behavior?

Finally, another avenue of research that can stem from the current study is the examination of the relationship between PSC and ticket price. While the current study used three levels of price, multiple price levels are typically offered by athletic departments. Considering multiple price tiers, the quality effect of those tiers, and the consumers’ perceptions and behaviors is needed in future studies.

Implications for Practice

The present study is valuable to sport marketers and university athletic departments. Our study suggests when framing and identification is taken into account purchase intentions increase. In other words, those season ticket holders who are more identified with the team are more likely to purchase the ticket, regardless of the PSC price. Consequently, sport marketers should examine the various findings our study presents. Specifically, we suggest university athletic departments implementing PSCs for their season ticket holders should be concerned with how they present a price increase to their consumers. Without being cognizant of these effects, athletic departments may create negative perceptions with their price increases, thus lowering sales potential. Furthermore, if a university is seeking to implement PSCs, they should be more concerned with the communication method than the price. Still, due to differences between price frames (higher prices decreased purchase intentions), setting optimal prices (perceived fair prices) should be of concern to marketers implementing PSCs.

With our findings in mind, we suggest utilizing the combination frame to increase purchase intentions. That is, with PSC frames, we recommend highlighting personal benefits along with student athlete benefits. In addition to the abovementioned sentiments, and due to the
psychological relationship formed between the season ticket holder and student athlete (i.e. team identification), we recommend a specific mention of the benefits student athletes will receive from a PSC. While the literature on the implementation of PSCs is relatively new, the current study gives way to future research on the topic, for such studies will undoubtedly impact sport marketing theory.

References


Appendices

**Appendix A. Demographics**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
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<td></td>
</tr>
<tr>
<td>Male</td>
<td>204</td>
<td>58.30</td>
</tr>
<tr>
<td>Female</td>
<td>145</td>
<td>41.40</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-20</td>
<td>35</td>
<td>10.02</td>
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<tr>
<td>20-24</td>
<td>300</td>
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<tr>
<td>25-30</td>
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<td>3.15</td>
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<tr>
<td>Over 30</td>
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<td>.86</td>
</tr>
<tr>
<td>Income</td>
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<td></td>
</tr>
<tr>
<td>Less than $15,000</td>
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<td>48.00</td>
</tr>
<tr>
<td>$15,000 to $24,999</td>
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<td>4.30</td>
</tr>
<tr>
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<td>14</td>
<td>4.00</td>
</tr>
<tr>
<td>$40,000 to $59,999</td>
<td>16</td>
<td>4.60</td>
</tr>
<tr>
<td>$60,000 to $84,000</td>
<td>31</td>
<td>8.90</td>
</tr>
<tr>
<td>$85,000 to $99,999</td>
<td>22</td>
<td>6.30</td>
</tr>
<tr>
<td>$100,000 or more</td>
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<td>23.70</td>
</tr>
<tr>
<td>Ethnicity</td>
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<td></td>
</tr>
<tr>
<td>African American</td>
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<tr>
<td>Asian or Asian American</td>
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<td>3.10</td>
</tr>
<tr>
<td>Hispanic</td>
<td>28</td>
<td>8.00</td>
</tr>
<tr>
<td>Native American</td>
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<td>.30</td>
</tr>
<tr>
<td>White, non-Hispanic</td>
<td>289</td>
<td>82.80</td>
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<tr>
<td>Other</td>
<td>6</td>
<td>1.70</td>
</tr>
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</table>

**Appendix B. Study introduction and framing**

Example Questionnaire

Assume you have season tickets to the (Insert University Here) Men’s Basketball team. Also, assume the price of your current tickets is reasonable and fair value. The athletic department announces that starting next season all season ticket holders will need to pay a per-seat contribution in addition to the cost of the ticket. In a letter they send to you they state, “(Insert Frame Here).” They continue to inform you that a (Insert Price Level Here) per seat contribution is needed for your ticket.

The Student-Athlete Benefit frame would be something similar to: “Your per-seat contribution supports scholarships for student athletes.”

The Personal Benefit frame would be similar to: “Your per-seat contribution will give you extra opportunities for better seating for future events, and it can be used as a tax write-off.”

The Combination frame would be similar to: “Your charitable contribution gives you the best seats in the house, while helping the student athlete scholarships. In addition, it can be used as a tax write-off.”

The Information frame would be similar to: “In order to purchase your ticket, a $100 fee is required.”
Appendix C – Figure 1. The value function. (Kahneman & Tversky, 1979)

Appendix D – Table 1. Hypotheses summary

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Theme/Frame</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Student-Athlete Benefit</td>
<td>There will be a positive association between this frame and the willingness to purchase PSCs among highly identified fan.</td>
</tr>
<tr>
<td>2</td>
<td>Personal Benefit</td>
<td>The Personal Benefit frame will increase repurchase intentions as the price level increases.</td>
</tr>
<tr>
<td>3</td>
<td>Combination</td>
<td>The strongest positive relationship between the frame and repurchase intentions will be with the Combination frame.</td>
</tr>
<tr>
<td>4</td>
<td>Information</td>
<td>There will be a negative relationship between the Information frame and repurchase intentions</td>
</tr>
</tbody>
</table>
### Appendix E – Table 2. Descriptive statistics

**Dependent Variable: Purchase Intent**

<table>
<thead>
<tr>
<th>Frame</th>
<th>Identification</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Student Athlete Benefit</strong></td>
<td>Low</td>
<td>2.90</td>
<td>1.828</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>3.94</td>
<td>1.962</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3.47</td>
<td>1.961</td>
<td>90</td>
</tr>
<tr>
<td><strong>Personal Benefit</strong></td>
<td>Low</td>
<td>3.50</td>
<td>1.700</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>3.32</td>
<td>1.819</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3.40</td>
<td>1.756</td>
<td>89</td>
</tr>
<tr>
<td><strong>Combination Frame</strong></td>
<td>Low</td>
<td>3.48</td>
<td>1.756</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>4.44</td>
<td>1.452</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3.96</td>
<td>1.672</td>
<td>85</td>
</tr>
<tr>
<td><strong>Information</strong></td>
<td>Low</td>
<td>2.33</td>
<td>1.477</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>3.95</td>
<td>1.987</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3.10</td>
<td>1.910</td>
<td>86</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>Low</td>
<td>3.04</td>
<td>1.745</td>
<td>170</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>3.90</td>
<td>1.849</td>
<td>180</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3.48</td>
<td>1.848</td>
<td>350</td>
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