

A STUDY OF THE FACTORS THAT AFFECT SEASON TICKET HOLDERS' SATISFACTION WITH INTERACTION QUALITY

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Abstract: Customer satisfaction is essential for organizations to retain customers. In the sport industry, where the quality of the game is not always controllable, customer service becomes an important factor in influencing customer satisfaction. This study examines the importance of various dimensions of service quality (reliability, assurance, empathy, and responsiveness) on season ticket holders' overall satisfaction with the customer service provided by ticket account representatives.

Keywords: Customer satisfaction, Service quality, Season ticket holders, Ticket account representatives, Reliability, Assurance, Empathy, Responsiveness.

Introduction

Making customers happy and satisfied is important for organizations since it is directly related to customer retention. Saleh (2015) argued that it costs five times more to attract a new customer than to retain an existing customer. Retaining current customers is even more important for major league sport teams, since their ever-increasing ticket prices limit the scope of their potential consumers to relatively high income classes.

Customer satisfaction is directly related to customer retention. This close relationship between the two concepts indicates that to retain customers, companies need to satisfy their customers (Cronin, Brady, & Hult, 2000). Some studies (e.g., Liu, Guo, & Lee, 2011) attest that high quality of service or goods is one of the important factors in consumer satisfaction. However, "quality" is not an easy concept to be defined in the sport context. For an examples, quality of game fluctuates and winnings cannot be guaranteed due to the characteristics of "service". Sometimes, spectators are offered a great game, but other times spectators end up watching rather dull games for the same amount of money.

Due to this inconsistent nature of games, other factors that influence consumer satisfaction become more relevant and meaningful in the sport context. One of those factors is customer service. Bad season could get people upset; but bad customer service could permanently turn people away from an organization. As the competition for consumers' money in the sport and entertainment industry gets intense, providing quality customer service, a controllable aspect unlike game quality, becomes more important. For professional sport teams, season ticket holders are the most important customers due to the size of revenue generated from them.

Not only are season ticket holders most important from a financial standpoint, but also they are the ones who are most loyal to a team (Gladden & Funk, 2001) giving emotional support. Bauer, Stokburger-Sauer, and Exler (2008) also mentioned the importance of "fans" compared to casual "spectators". Season ticket holders can be regarded as dedicated fans who are willing to invest their time and money. At the same time, season ticket holders' level of expectation could be high since they are invested. Making them satisfied and feel appreciated is almost a must for the success of professional sport teams considering the importance of season ticket holders, and when it comes to the customer satisfaction, the concept of "service quality" becomes relevant. Researchers such as Brady and Cronin (2001) argued that interaction quality between a customer and an employee is an influencing factor on customer satisfaction. Therefore, this study will examine the importance of various dimensions of service

quality (i.e., reliability, assurance, empathy and responsiveness) on season ticket holders” overall satisfaction with the customer service provided by ticket account representative.

2. Literature Review

2.1 Season Ticket Holders

Loyal fans serve as an important base for professional sport teams by providing monetary and emotional support. Loyal fans are the ones who fill a stadium, purchase licensed merchandise, and follow team-related news on the media (Greenwell, Fink, & Pastore, 2002; Gwinner & Swanson, 2003). Season ticket holders invest significant amount of time and money to see the actions of their team in person, and often times they pay a premium price to see them. Season ticket holders are also the most loyal and dedicated fans. Having a loyal fan base can add value to potential sponsors since loyal fans are likely to pay more attention to sponsors” messages and tend to purchase sponsors” products than less-identified fans (Kwon & Armstrong, 2002; Pope & Voges, 2000). Having high number of season ticket-holders means high portion of guaranteed revenue even when a team does not perform well (Gladden & Funk, 2001), which provides financial stability for teams. Due to these various reasons, season ticket holders are one of the most important fan segments. Therefore, teams have every reason to please and satisfy their season ticket holders, to create and maintain strong and lasting relationships with them. This becomes even more important since only small segment of population can afford season tickets as the prices for season tickets become more and more expensive (“Average Ticket Prices”, 2016).

2.2 Ticket Representative

The basic daily responsibility of ticket representatives is to perform various customer service functions related to ticket sales and management. More specifically, ticket representatives communicate with current and potential customers including season-ticket holders on various ticket options, problems, and concerns.

One of the difficulties and challenges for ticket representative (service provider) in the service industry is that customers” requests cannot be always fulfilled. This is partially because what is requested does not always fall under ticket representatives” discretion and they are rather limited in what they can do and cannot do. This means that some issues or complaints raised by season ticket holders (e.g., benefits, price, or seat location) are not under ticket representatives” control. However, since ticket representatives are on the front line and often the first contact points when these issues were occurred, their ability and demeanor to handle customers” problems and concerns are likely to influence customers” experience in the process.

For the Major Baseball League team in this study, specific ticket representatives were assigned to season ticket holders. By having a designated ticket representative, season ticket holders can have a consistent communication channel, which meant to facilitate efficient and effective communication as well as to build personal relationships.

2.3 Service Quality and Dimensions

Defined as “the consumers” judgment about an entity”s overall excellence or superiority (Parasuraman, Zeithaml, & Berry, 1988, p. 15), service quality theory lies in the concepts of product quality and customer satisfaction (Brady & Cronin, 2001). Various studies have shown that service quality is connected with customer satisfaction (Ko & Pastore, 2004; Liu, Guo, & Lee, 2009) and repurchase intention (Fornell, 1992). However, what it is and how to measure it is a much more complicated issue due to its intangible, heterogeneous, and inseparable nature (Parasuraman, Zeithaml, & Berry, 1988). Thus, quite a few measurements have been developed based on the conceptualization of “service quality.”

For example, Parasuraman et al. (1985) viewed service quality as the difference between customer expectation and the perception of service quality, measuring it with ten dimensions of tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding/knowing the customer, and access in

their SERVQUAL model. Later, Parasuraman et al. (1988) refined these ten dimensions to five dimensions of reliability, responsiveness, assurance, empathy, and tangibles.

Brady and Cronin (2001) conceptualized service quality as three dimensions of interaction quality, physical environment, and outcome quality. Interaction quality has sub-dimensions of attitude, expertise, and behavior. Physical environment encompasses ambient conditions, design, and social factors. Lastly, outcome quality includes valence, waiting time, and tangibles. Many studies (e.g., Ko, Zhang, Catani, & Pastore, 2011; Moon, Kim, Ko, Cannoughton, & Hak, 2011) have examined the service quality in the context of sport.

This study focuses to address the “interaction” aspect of service quality. Parasuraman et al.’s (1988) refined five dimensions (i.e., reliability, responsiveness, assurance, empathy, and tangibles) of service quality were used as the base. Specifically, *reliability* refers to “the ability to perform the promised service dependably and accurately”. *Responsiveness* refers to “willingness to help customers and provide prompt service.” *Assurance* means “knowledge and courtesy of employees and their ability to convey trust and confidence.” *Empathy* refers to “caring, individualized attention the firm provides its customers”. Lastly, *tangibles* indicate “physical facilities, equipment, and appearance of personnel”. The last dimension, “tangibles”, was not included because the interactions between ticket representatives and season ticket holders occur via phone and emails most of the time, rather than face-to-face interactions. Therefore, four dimensions of *reliability*, *responsiveness*, *assurance*, and *empathy* were selected to be used in this study.

2.4. Interaction quality

Interaction quality refers to the quality of interactions between the organization’s employees and the customers. Interpersonal interactions occur during the service delivery. Brady and Cronin (2001) suggested that the quality of interactions is influenced by the employee’s attitude, behavior, and expertise related to the job performance. From an organizational standpoint, providing proper training would be important, so employees are equipped with necessary expertise and information in their dealing with customers. Researchers have found that the relationship between customers and a company is depending on many factors such as shared objectives, complaint management, satisfaction, communication (Brashear, Bolles, Bellenger, & Brooks, 2003).

Pleasant interactions with ticket representative can positively influence consumers’ perceived interaction quality. On the other hand, unpleasant interactions are likely to negatively impact consumers’ perceived quality of interaction. Considering this, management should strive to offer congenial customer and employee interactions as much as possible. This would be rather simple when there is no confronting issue. However, making pleasant interaction can be challenging when consumers face some issues which make them unhappy. If a cause of concern is not resolved in a satisfactory manner, this is likely to result in potential damage in the relationship between the consumer and the respective employee, and further with the organization. Thus, the issue of managing customer problems or complaints becomes relevant in interactions between customers and employees.

2. 4.1 Complaint Management

The term “complaint management” explains the way organizations deal with the problems expressed by customers with their service that generates a certain degree of dissatisfaction (Álvarez, Casielles, & Martin, 2011). Whether consumers’ complaints are properly heard and dealt with or not could influence consumers’ perceived interaction quality, because oftentimes complaints are handled by personnel rather than by automated system. Therefore, managing customer complaints is an influencing factor on interaction quality. This means that managing raised complaints is a critical part of interaction with customers, which influences whether a company can maintain a good relationship with customers. According to Tax, Brown and Chandrashekar (1998), when customers face a problem, they may respond by exiting, loyalty, or voicing (complaining). However, when a customer received adequate response when they raised issues, they are more likely to stay (Conlon & Murray, 1996). This means

that if a raised issues are well-managed by an organization, the customer is likely to stay with the organization rather than terminate the relationship. Conlon and Murray (1996) similarly noted that one of the two major reasons for customers switching services are unfavorable service encounters with the company's personnel, and core service failures.

2.5 Satisfaction

Fornell (1992) defined customer satisfaction as an overall attitude formed based on the experience after purchasing and using products and services. Zeithaml and Bitner (2000) mentioned that satisfaction can be affected by an array of factors such as service quality, product quality, price, and contextual and personal factors. Satisfaction is regarded as one of the antecedents of loyalty, and many studies (e.g., de Ruyter & Wetzels, 2000; Deng, Lu, Wei, & Zhang, 2009) showed the positive relationship between satisfaction and customer loyalty.

Similarly, Blanchard and Galloway (1994) argued that satisfaction can be derived from a consumer's perception of the overall value received in a relationship with an organization. In the sport contexts, researchers looked into two types of customer satisfaction: game satisfaction (Kwon et al., 2005; Trail, Anderson, & Fink, 2005) and service satisfaction (Wakefield & Blodgett, 1996).

3. Methods

For this study, a Major League Baseball (MLB) team's annual survey with season ticket holders was used. The team collects two to three surveys per season and each version varies a little by different subsets of questions. This study used the 2013-2014 season survey which included questions regarding season ticket holders' satisfaction with the assigned ticket account representative.

3.1. Participants

The survey link was sent to the season ticket holders of a MLB team located in Northeast region of the United States. Their season tickets include eight different types ranging from full season tickets to ten games per season. As an incentive for completing the survey, the participants were given an opportunity to enter lottery to win a team jersey.

The total number of respondents was 1,149. The followings are the results of descriptive statistics for the respondents. The majority of the respondents were male (n=795, 69.2%) and Caucasian (n=1,001, 87.1%). In terms of marital status, 750 respondents (65.3%) were married or with partners, 216 respondents (18.8%) were single/never married, and 96 people (8.4%) were either divorced, separated, or widowed. In terms of age, all age groups were represented while some age groups are more prominent: under 18 (n=2), 18-21(n=11), 22-25 (n=34), 26-35 (n=170), 36-45 (n=167), 46-55 (n=304), 56-65 (n=281) and 66 and older (n=104). About half of the respondents (n=585, 50.91%) were either in, "46-55" or "56-65" age bracket. In regard to the education level, more than 60% of the respondents have either graduate/professional degree (n= 358, 31.2%) or bachelor's degree (n= 339, 29.5%). In terms of income, the biggest bracket (n=178, 15.5%) was \$100k~\$149k. However, about one third of the respondents (29.9%, n=344) chose not to answer this question.

3.2. Questionnaire

The survey contained other questions including preference of season ticket holders' benefits, usual companions to games, perceived image of the team in addition to the questions of season ticket holders' satisfaction with customer services. This study, however, will only focus on the dimensions of service quality provided by ticket representative to season ticket holders. To measure season ticket holders' satisfaction with the service quality with their assigned ticket representatives, the respondents were asked to select their ticket account representative from a drop-down box. Then, season ticket holders' overall satisfaction level (3 items) with a particular ticket representative was measured, followed by four service quality dimensions of reliability (2 items), responsiveness (1 item), assurance (3 items), and empathy (2 items) using 5-point likert scale ranging from 1 (poor) to 5 (excellent).

Some constructs only have one or two items due to the length of the survey. Other demographic questions were asked including age, gender, ethnicity, marital status, household income and education.

3.3. Data Analysis.

A multiple regression analysis was conducted with a dependent variable of satisfaction and independent variables of four dimensions of interaction quality (i.e., reliability, responsiveness, assurance, and empathy) to see the contribution of each factor in predicting consumers' satisfaction level with their assigned ticket representative.

4. Results

Out of the 1,149 respondents, only 739 (64.3%) answered the portion of customer satisfaction with their assigned ticket representative. Others opted not to answer with various reasons like "cannot remember the name of the assigned ticket representative", "do not have much to evaluate", or "ticket representative was changed over time".

To test the reliability of the constructs, Cronbach's alpha tests were conducted for three service quality dimensions except *responsiveness* (1 item). The results showed that all alpha values were above the recommended minimum level of .70 (Nunnally & Bernstein, 1994): Reliability $\alpha=.91$; assurance $\alpha=.88$; empathy $\alpha=.85$; satisfaction $\alpha=.89$. The mean scores for each dimension of service quality and overall satisfaction with their assigned service representative marked relatively high with highest possible point of 5: overall satisfaction with a ticket account representative ($M= 4.30, SD= .98$), reliability ($M= 4.48, SD= .90$), assurance ($M= 4.33, SD= .87$), empathy ($M=4.48, SD= .79$), and responsiveness ($M= 4.51, SD=.86$).

Table 1. Descriptive statistics for each construct (5-point likert scale)

Variable	Mean	SD	Cronbach's α
Reliability	4.48	.90	.91
Assurance	4.33	.87	.88
Empathy	4.48	.79	.85
Responsiveness (one-item)	4.51	.86	
Satisfaction	4.30	.98	.89

A multiple regression was used to measure the contribution level of the four dimensions (i.e., reliability, assurance, empathy, and responsiveness) of service quality for season ticket holders' satisfaction level. The results showed that all four dimensions were significant predictors in explaining customer satisfaction with their ticket representative ($F_{(4, 734)}=532.27, p<.001, R^2=.74$). The four predictors explained about 74% of the respondents' satisfaction level. Specifically, empathy ($\beta= .35, p< .001$) was the most contributing factor on satisfaction followed by reliability ($\beta= .30, p< .001$), assurance ($\beta= .17, p< .001$), and responsiveness ($\beta= .09, p< .005$). Table 1 provides a summary of the multiple regression analysis with the four dimensions of service quality which predict the respondents' satisfaction level with the ticket account representative.

Table 2. Multiple Regression Analysis for Service Quality Dimensions Predicting STH's Satisfaction with Ticket Representative

Variable	Standardized β	SE	t-value	p
Reliability	.30	.04	6.71	.000
Assurance	.17	.04	4.17	.000
Empathy	.35	.06	7.19	.000

Responsiveness	.09	.03	2.93	.003
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5. Discussion

The results of this study provide an insight on different dimensions of service quality, particularly on interaction quality, and furthermore, these different dimensions' importance on season ticket holders' satisfaction with their ticket service representative. The result of the multiple regression showed that empathy is the biggest factor ($\beta = .35, p < .001$) in explaining season ticket holders' satisfaction level with their ticket representatives while responsiveness is the least contributing factor ($\beta = .09, p < .05$). The fact that empathy is the most important factor on consumers' satisfaction might have to do with season ticket holders' expectation with the ticket representative. A ticket account representative is a team's first contact when issues and problems arise. When a customer is upset due to some issues, consumers would expect and appreciate empathy from a person in that organization. Season ticket holders might acknowledge that the amount of discretion given to the assigned ticket representative may not enough to solve their issues. Nonetheless, they would appreciate service respondents' empathy, and their willingness to resolve the issue. The manner or the way these service representatives (e.g., ticket account representative) respond to raised concerns and dissatisfaction can influence how these customers feel after the interaction. For example, some of the season ticket holders commented that the team has increased ticket price, so she/he is not happy about it, or the seat location for the price is not good enough, which illustrate some common complaints. It should be noted that some of the concerns (e.g., too high ticket price) cannot be resolved at the ticket representative level.

It is also possible that ticket holders do not expect the problem would get resolved, but rather want to hear agreeing and sympathetic responses when they vented their anger or dissatisfaction. Collier (2015) argued that empathy is the most important skill for all customer service representatives. Similarly, in the service quality in the hotel industry, Yilmaz (2009) also found that empathy is the most important dimension in predicting hotel customer's overall service quality evaluation. However, the importance of these dimensions is likely to vary depending on the context. For example, Lau et al.'s (2013) study with the banking industry shows that empathy was the least significant factor while reliability and assurance are more important for customers' satisfaction. It is possible that customers value dimensions differently by various characteristics and contexts of the service industry.

The second contributing factor for satisfaction was *reliability* indicating the customer representative's ability to perform the promised service in a dependable and accurate manner. This shows that season ticket holders value the agreed service will be delivered. Lastly, it was interesting that *responsiveness* is the least contributing factor to customers' satisfaction. We speculate that it is not because responsiveness is not important in interaction quality, but probably because this aspect is already given ($M = 4.51$). The team in this study ensures each representative's accountability systematically: The ticket representatives are specifically responsible for dealing with assigned season ticket holders and the ticket account representatives are evaluated their service quality through the annual season ticket holders' surveys where the season ticket holders pin-point who are their assigned ticket representatives. Since each ticket account representative only deals with assigned customers, and their evaluation is directly coming from the assigned season ticket holders, the system holds each ticket representative responsible for their actions.

Overall, the team scored a high level of customer satisfaction ($M = 4.30$) in terms of their interaction dimension of service quality. However, the results are only based on the season ticket holders who completed this survey. Approximately one third of the respondents ($n = 410, 35.7\%$) did not answer to the section of the customer service. It is possible that some season ticket holders did not interact with ticket representative enough to evaluate them or the interactions were insignificant to be remembered.

As the majority of sport industry is centered on customers' experience, further studies should be conducted to help better understand the relative importance of different dimensions in interaction quality in different contexts and levels of sports. Future studies should also look into different groups of customers (e.g., customers whose issue was favorably resolved, customers whose issue was not resolved, customers who had no problem at all) to see if satisfaction level changes after an issue is addressed and whether this changed satisfaction level lasts in the long term.

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