

## Some fees could lead customers to rethink where they spend

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**BILL  
SUTTON**

I would first like to thank everyone for their loyal readership of this column and welcome everyone to my new space. Each month, I will try to examine practices both positive and negative that have an impact on the bottom line and on how we do business. I hope that you enjoy the column and would welcome your suggestions and feedback.

In this initial column, I would like to address the amount and transparency of service fees, facility fees and other charges that make their way to the consumer, usually through purchasing online. I will use some of my recent experiences to illustrate what I feel is a problem — excessive fees without any explanation as to what they are or why they are being charged. As these are single-game or event purchases, for the most part they are handled by a third party, but as we all know it is the host of the game or the event that is the perceived provider (and in this case profiteer), and as such a dissatisfied customer will affect both the host and the service provider.

I visited Broadway.com to purchase tickets for my family and to attend a play while visiting New York shortly before the Christmas holidays. I purchased four tickets and agreed to pick them up at the box office and my itemized statement looked like this:

<b>Charges:</b>	
Face value	\$486 (4 tickets)
Service charge	\$146
<b>Total</b>	<b>\$632</b>

(Please note no charges are applicable when redeeming a gift certificate.)

Please note that my service charge, which included no postage or delivery, works out to be \$36.50 per ticket, which, to put it mildly, is insulting and excessive. How much servicing and handling is necessary to produce this order?

My second purchase was slightly different but no less infuriating. This was my purchase from Entertainment-link.com:

<b>Charges:</b>	
Total ticket price	\$146 (2 tickets)
Facility fees	\$4
Ticket service charges	\$14

Ticketer handling fee	\$2.50
Subscription fee	\$39
<b>Total</b>	<b>\$205.50</b>

(Please note no charges are applicable when redeeming a gift certificate.)

That works out to the fees and charges after the tickets amounting to \$59.50 or \$29.75 for each ticket. This one is interesting because I have no idea what I have subscribed to or what benefits I am entitled to from this subscription, if anything.

My points in sharing this with you are simple: First, the less control and interaction you have with your customers the more at risk they are in terms of their lifetime value to your organization. I will not use either of these services again, thus the theater owner loses me as a prospect for future marketing activities, and any relationship I have with them in the future will be coincidental, based upon my interest in a particular show.

Second, do you really need to profit this much on this transaction? The fees for the first purchase were equivalent to the cost of my tickets in the second transaction. Thus the cost of doing business through this vendor, even if I have a fantastic experience, may make it an experience that I would repeat less often if at all. As we all know the sport and entertainment industry is dependent for its survival in large part on repeat buyers.

Third, tourist destinations like New York (and I would include Orlando, Miami, New Orleans and Las Vegas, just to mention a few) have imposed so many surcharges on tourists coming into the market on hotels and rental cars, that the entertainment area has followed suit because the industry feels that a customer from London, Hong Kong or Boise, Idaho, isn't that likely to come back (Or are they? Ask Disney). These three reasons can be summed up with this statement: because they can. But that doesn't mean that *you* should.



TOM STRATTMAN

**The cost of concessions, along with online service or facility fees, could keep families at home.**

Attending a sporting event is a choice. As an organization, you can charge outrageous service fees like these and you can charge \$9 for a beer and you can insist that a 5-year-old purchase a 16-ounce soda, but for every intended action there may be an unintended consequence. Customers may buy less or they might not buy at all. Remember, at the same time we are building state-of-the-art facilities, we are also building state-of-the-art home theater systems. Taking a family to a sporting event may give way to a 60-inch plasma screen with Bose speakers and a DirecTV subscription. Beer and food are much less expensive at home, and I will speculate that the seats are more comfortable and the rest rooms are cleaner.

Relationships are called relationships because they are mutually beneficial — each party benefits in some way. For the relationship to be established and continue, both parties have to feel there is value. For the relationship to be sustainable, each party has to trust the other and feel valued and extend value to the other party, establishing reciprocity. I had opportunities to establish two relationships with the online ticketing companies and chose not to because I honestly believed that the value, what I paid in exchange for what I received, was inadequate. Conversely, both of these enterprises have had ample opportunities to explain their fees and explain what I had subscribed to and what I was entitled to. Neither has done so, and I don't expect either to do so, although I hope this column finds its way into their offices

into their offices.

(Note: I did receive an auto-generated survey to complete after attending the play on the tickets purchased from Broadway.com. There has been no response to the initial comments or the comments I made in the survey).

I'm not Nostradamus, but it doesn't take a prophet to figure out that a lot of things changed in 2009 and will continue to change in 2010. We are no longer fighting for a piece of the entertainment dollar; we are fighting for a piece of the dollar, and the entertainment part of that dollar has gotten smaller and undergone much more scrutiny than in the past. Your customers are your greatest assets. They realize they have choices and will exercise those options if you take them for granted and try to wring out every last dollar.

Let's work to set a fair fee per transaction, not per ticket, that makes everyone feel better about what they bought and about the service that was provided.

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