



TrustSTFC Ticket Price Proposals 2005-06

Summary

The problem:

- “Pay on the day” ticket prices have rocketed at Swindon over the past few seasons: attendances have gone down;
- While the rest of League 1 has recorded a 6% increase in average gates this season, Swindon has suffered a 20% decrease in the average gate;
- Most of the reduction in attendances is in pay-on-the-day fans in the main stands, where price increases have hit hardest
- Unless prices are reduced in some areas and frozen in others, this decline will continue more sharply. An increase would be disastrous

Proposals:

- Reduce the “headline” price of the top priced pay on the day ticket to £21;
- Bridge the yawning gap between the top and bottom ticket prices by reintroducing the second tier of pay on the day pricing i.e. the reduction for wing/enclosure tickets in the main stands to £18, midway between the upper and lower price points and crucially below the £20 barrier which is a huge deterrent for many casual fans;
- Reduce child ticket prices to £5, an affordable level which will encourage parents to bring their kids with them and allow older kids to be able to afford to come on their own;
- Reductions to be partially offset by doing away with the discount for paying in advance;
- Reintroduction of the “shift” season ticket – 16 games at reduced price for the many Town fans who cannot make every game due to work commitments or because they live too far away so cannot make midweek games etc
- These proposals need only bring in 175 extra fans at the new lower prices to match current revenues and will increase revenue by nearly £5,000 if they put as little as 500 on the gate

We recognise the financial constraints under which the club operates and believe we have produced sensible low-risk proposals which do enough to turn the situation round. We do not advocate slashing prices all round the ground — indeed, we believe Town End and season ticket prices are reasonable in the current financial context of the club and should remain broadly as they are. We believe we have demonstrated in this document that these changes can produce a net increase in revenue with an achievable aim of increasing the “pay on the day” gate by only 500 on this season's gate, a far less ambitious figure than the current budget of an average gate of 6900.

Aims

When setting ticket prices, the aim must be to maximise revenue for the club. Taking a simplistic view, if you charge nothing, your revenue is nothing; equally, if you charge £1000 per ticket you're not likely to sell many. Somewhere in the middle is an optimum pricing point which maximises revenue for the club. In considering the optimum price, consideration must also be given to maximising revenue for the long term. A large increase in prices may increase revenue for a time but if the net result is to erode the fan base, the long-term effect will be merely to store up trouble for the future. As with any business, it's a lot easier to keep your existing customers than it is to find new ones.

TrustSTFC accepts that pricing is a sensitive area for the club, which continues to rely on the generosity of the Wills family to make up the shortfall in the club's finances each year. However, by this time last year (after 18 home games) over 25,000 more people had passed through the County Ground turnstiles – an average drop of more than 1400 people per game. Yet we have had a very similar season in terms of both performances and league position as last so what's changed? The ticket prices have gone beyond the point most people can bear.

TrustSTFC is concerned that many fans who are driven off by higher prices get “out of the habit” of attending football and that “one-off” special offers are not sufficient to attract fans back, nor to tempt casual fans in, (not least

because if people aren't going to games, they often don't get to hear about these “one-offs”), leading to a serious on-going decline in gates and the wider fanbase.

Ticket prices as a tipping point

We fully recognise that there is not a simple equation of “reduce prices by x and gates will rise by y” - the reasons for larger or smaller gates are a complex mix of price, performance, attractive opposition and how much the game is perceived to matter. So if the team are struggling you can reduce prices all you like and you still won't get many more than 5000 for a midweek game against, say, Stockport. Equally, games like last season's at home to Bristol City when both sides were closing in on a play-off place would like always be near sell-outs, irrespective of high prices. However, ticket prices are still a crucial factor in determining whether wavering and casual fans will come to games – simply put, when times are hard on the pitch, people are a lot more likely to reach the end of their tether a lot more quickly at £23 than they would at a more reasonable price. If you charge a premium price (which £23 is) you have to guarantee a premium product. If you can't (and no football club in our situation can), you have to make prices less of a deterrent.

The effect of recent price rises

Recent price hikes at the County Ground have always been justified by the need to maximise revenue, but is the present price structure achieving this goal? In 2000/01, the last year for which accounts have been published, the club lost just over £1 million. That season it was possible to buy a ticket on the day in the main stands for just £14, and average attendances were around 6,500 despite the team almost getting relegated, compared to an average gate this season of 5800 when we are pushing for the play-offs. Since then prices have risen to first £21 then £23 (£19 / £21 in advance) and yet according to figures given at the AGM in December, last season the club still lost nearly £1 million.

Season ticket sales have been rising in recent years, partly as a reaction to the match day costs but also a reflection of the fact that season ticket prices are widely viewed as reasonable. The same can be said of match day prices in the Town End which has remained the busiest area of the stadium on match days throughout the last three years. The steady increase in season ticket holders back to the levels of four years ago is to be welcomed, but if the majority of the “hardcore” fan base have become season ticket holders, this still only amounts to 3000 “bums on seats” - clearly far higher gates are needed and the remainder must come from matchday sales.

The main area of concern continues to be the match day sales in the main stands which have taken a battering in recent seasons ever since the "one price fits all" policy was introduced. The current pricing policy seems to have fallen between two stools. Those who are prepared to put up with less than marvellous facilities pay £15 for a seat in the Town End. Those prepared to pay over £20 go in the Nationwide or Arkells' stands, but many who cannot afford the top prices or a season ticket, and do not wish to watch from the Town End have been squeezed out. Likewise, with some of the highest prices in the division, we have seen a significant downturn in away fans this season.

Consider a typical crowd from this season based on the average attendance of around 5,800. 3,000 of those are season ticket holders, and another 500 or so will be non-season ticket holders in the Town End. Consider also visiting fans, and concession tickets in the main stands and you are left with between 1,000 and 1,500 adults paying full price on a match day in the main stands. This is a sharp reduction from the numbers in these areas just one or two seasons ago.

Rationale: Main stand price reductions

Given the relatively small numbers paying the current top-rate “pay on the day” prices, the number of extra tickets needed to be sold to realise a net increase in revenue is minimal. Even if all fans sitting in the centre blocks are currently paying £23 and moved en masse to the wings, this would mean a maximum £5 reduction per seat. This would risk a maximum of between £5,000 and £7,500 per home game even if all fans paying top-rate in the main stands switched to the new cheaper seats in the wings. In reality, many of those fans will currently be paying in advance and will continue to pay the top price for the best view – i.e. they are currently paying £21 anyway, so no loss of revenue. Others would be tempted out of the Town End into the wings for the better facilities and so would actually be paying £3 more. Even in the worst case scenario of a £7,500 drop, the number of extra tickets needed to be sold is only around 416 (7500/18), not a very ambitious target when considering the numbers that have drifted away over the last 3 years.

Taking a more realistic view, if 750 of the 1,500 keep paying £21 for the best view, 750 pay £4¹ less, but 200 move from the Town End to the main stands for a better view, and on average 500 stay-away fans are tempted back. The net effect on income would be $-(750 \times £1) - (750 \times £4) + (200 \times £3) + (500 \times £18) = £5,850$ per home game or more than £130,000 over a whole season. The extra revenue would obviously vary depending just how many extra tickets were

¹ Based on half currently paying £23 on the day and half paying £21 in advance – i.e. current pay-on-the-day in the stands averages to £22, hence the reduction to £18 averages to £4 less, while for those remaining in the centre seats there is an average reduction of £1 to £21

sold, but only 175 would need to be sold to match current revenues. Of course, larger crowds also mean larger sales of programmes, food and drinks, and more fans in the club shop as well as generating more support for the team. This makes the “gate budget” for the season, rather than the currently unrealistic 6900 all told, an achievable aim of increasing “pay on the day” fans by 500, with a net increase in revenue.

Rationale: Child prices

We have proposed a blanket price for children (outside the family enclosure) of £5 – this figure is deliberately set as a “pocket money” price point. By which we do not necessarily envisage that they would have £5 themselves (especially in the case of younger children) more that their parents would regard this as a reasonable amount to pay; for older children with part-time jobs it is feasible this would be affordable by them directly. The current figure of £9 is, we believe, a major deterrent to fans taking their kids to the game which is a worrying long-term threat to our future fanbase. While the figure of £5 may seem an immediate drop in per-seat revenue, it is particularly the case with kids that empty seats certainly do not generate revenue in terms of lost sales of food, programmes etc.

Currently, a parent taking two kids to a game in the main stands would have to pay £23 for their ticket, plus £9 for each of the kids – adding in the inevitable chips, drinks etc does not leave change from £50. For the casual fan looking for something to do for a Saturday afternoon out with the kids, this is a prohibitively high price (compare with £17 to take the kids to the cinema). Strong anecdotal evidence suggests that many fans have been faced with the decision of not taking the kids or, more likely, if the kids can't go, nor can they. We believe that this latter factor has been a major contributor to the reduced gates of the last two seasons, and by putting the children's pay-on-the-day price down to £5 could play a major part in the revival of the gates while not adversely affecting revenue.

In addition we have already made separate recommendations re specific promotions in partnership with local schools etc e.g. “kid for a quid” days (accompanied by adult) aimed at bringing in parents who would not ordinarily attend matches by the magnetic power of “pester power”!

Proposed Ticket Prices

Pay on the day

	<i>Main Stand Centre</i>	<i>Main Stand Wing</i>	<i>Town End</i>	<i>Family Enclosure</i>
Adults:	£21.00	£18.00	£15.00	£17.00
Concessions/Disabled:	£14.00	£13.00	£12.00	£12.00
Kids:	£5.00	£5.00	£5.00	£3.00

Season Tickets

	<i>Early Bird (end May)</i>		<i>Last minute (end June)</i>	<i>Standard</i>
	<i>Renewal</i>	<i>New</i>		
<i>Main Stands Centre</i>				
Adults:	£370.00	£400.00	£425.00	£450.00
Concessions:	£190.00	£205.00	£220.00	£240.00
<i>Main Stands Wings</i>				
Adults:	£325.00	£350.00	£375.00	£400.00
Concessions:	£160.00	£185.00	£190.00	£205.00
<i>Town End</i>				
Adults:	£270.00	£280.00	£300.00	£320.00
Concessions:	£135.00	£150.00	£165.00	£175.00
Kids:	£75.00	£75.00	£85.00	£95.00
Disabled:	£165.00	£168.00	£180.00	£193.00

Family Season Tickets (only available till end June)

	<i>Early Bird (end May)</i>		<i>Last minute (end June)</i>
	<i>Renewal</i>	<i>New</i>	
1 adult, 1 child	£390.00	£420.00	£455.00
1 adult, 2 children	£430.00	£460.00	£495.00
1 adult, 3 children	£460.00	£490.00	£525.00
2 adults, 1 children	£740.00	£770.00	£805.00
2 adults, 2 children	£775.00	£800.00	£835.00
2 adults, 3 children	£800.00	£825.00	£860.00

Shift Season Tickets (16 games - only available till end June)

	<i>Early Bird (end May)</i>	<i>Last minute (end June)</i>
Main stand (centre)	£305.00	£315.00
Main stand (wing)	£275.00	£285.00
Town End	£210.00	£220.00

Statistics

Drop in gates from last season

	Gates 2003-04	Gates 2004- 05
1.	10573	6286
2.	5758	5060
3.	6219	5365
4.	6160	5777
5.	6767	5189
6.	7595	5522
7.	7086	6972
8.	5313	6724
9.	5681	6348
10.	10021	4828
11.	9374	5452
12.	9269	6875
13.	7158	6468
14.	6014	5526
15.	7023	5090
16.	6814	5511
17.	6928	4724
18.	7649	8275
	Total (to match 18):	
	131402	105992
	Average (to match 18)	
	7300.11	5888.44
	Drop in average gate (to match 18)	
	1411.67	

League One ticket prices

Barnsley £19
 Blackpool £16
 Bournemouth £18
 Bradford £18
 Brentford £17
 Bristol City £21
 Chesterfield £18
 Colchester £14
 Doncaster £15
 Hartlepool £17
 Hull £19
 Luton £17.50
 Milton Keynes £17
 Peterborough £16
 Port Vale £16
 Sheff Wed £19
 Stockport £19
 Swindon Town £23
 Torquay £15
 Tranmere £15
 Walsall £17
 Wrexham £14

** Prices are for wing/enclosure seats (i.e. not behind the goals). If matches are categorised, the most expensive category has been used. Pre-booking discounts have not been allowed for.*