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**Luxury Suite Administrators: Essential to Success**

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## Abstract

The purpose of this study was to understand the role of the luxury suite administrator in professional sports and to further the knowledge of those in the suite sales and services industry. Luxury suite revenue is an important income stream for sport teams in the United States and accounts for an average of \$9.8 million annually per professional sports venue (Lawrence, Contorno, Kutz, Hendrickson & Dorsey, 2007). Having a better understanding of client needs could help improve revenue through increased suite sales and renewal rates.

Luxury suite administrators (N = 145) from the five major sport leagues (National Basketball Association (NBA), National Football League (NFL), National Hockey League (NHL), Major League Baseball (MLB) and Major League Soccer (MLS) were surveyed. The results helped to define the role of the suite administrator and their perception of what is important to corporate suite purchasers. Specifically, suite administrators responded that upgrading suite amenities is an important area for teams to improve. They also indicated that customer service, food/beverage prices, and entertaining current and prospective clients were top factors in corporate purchasing/renewal decisions. Not only will professional sport franchises looking to acquire and retain customers benefit from this information, but luxury suites owners will have an improved understanding of the industry as well.

## Luxury Suite Administrators: Essential to Success

Luxury suite sales are an important component to the financial stability of professional sport teams and venues in the United States, accounting for over \$600 million in annual gross revenues (Lee & Chun, 2002). Combined with sponsorship, premium seating generates 20% of NFL and 35% of NHL team revenues (Badenhausen, 2008). With such a substantial contribution to team revenues, it is no surprise that teams/venues spend a significant amount of time and effort developing and cultivating relationships with suite clients.

Professional sport luxury suites are leased by individuals as well as corporations. Overall, 61% of teams/venues report over 90% corporate ownership of their suites and an additional 23% of teams/venues claim between 75% and 90% corporate ownership (Lawrence, Contorno, Kutz, Hendrickson & Dorsey, 2007). With this large percentage of corporate ownership, it behooves teams/venues to concentrate on this segment of clients and prospective clients as they seek to better understand the needs of those they serve.

The sales and renewal process of luxury suites can be complex and involve a multitude of individuals representing the team/venue as well as the purchasing corporation. Throughout the sales process, it is common to have team/venue employees representing inside sales, client services, corporate sponsorships, facilities/operations, and ticketing involved (Lawrence & Moberg, 2009). The purchasing corporation generally involves a key decision-maker who is often the CEO

or V.P. of Marketing during the initial sale or during renewal time. Then, once the relationship is solidified, the majority of suite management is delegated from the decision maker to the suite administrator who also works for the corporation leasing the suite. A suite administrator is defined as an individual who is:

...assigned by a company/suite owner to coordinate suite activity and disburse ticket inventory. More specific responsibilities include: acting as the liaison between the team and suite owner, acting as the liaison between suite users and the suite owner, choosing the menu, placing the food/beverage order, and facilitating the event day catering and other service functions (Titlebaum & Lawrence, 2010a, p. 50).

The suite administrator has historically been the least recognized, understood, and appreciated individual involved in the success of suite ownership. Even sport professionals intimately familiar with the business are frequently unaware of the role these individuals play in the suite segment of the sport industry.

Given the importance of the suite industry, it is surprising that so little is known about some of the stakeholders involved in suite management. As such, the primary purpose of this study was to gain a better understanding of the least-understood stakeholder in luxury suites: the suite administrator. The secondary purposes were: 1) to evaluate the importance of team/venue

improvement in specific areas of suite operations, 2) to analyze suite administrators' perceptions of motivations for suite purchases/renewals, and 3) to determine which areas of improvement were most significant in predicting perceptions of motivation to purchase/renew suites.

## Review of Literature

Stakeholder identification theory helps to establish that suite administrators are a legitimate stakeholder within the realm of professional sport premium seating. This forms the basis for the current study because contemporary business literature suggests that a competitive advantage exists for organizations whose managers develop relationships with stakeholders, especially those that are trusting and cooperative (Mitchell, Agle, & Wood, 1997). Through identification of stakeholders, managers may be better able to allocate their time and energy to certain groups or individuals based on their level of importance to the organization. There are several studies related to stakeholder theory in sport (e.g., Covell, 2004; Covell, 2005; Friedman, Parent, & Mason, 2004; Kihl, Leberman, & Schull, 2010; Merrilees, Getz, & O'Brien, 2005), but none that are related to stakeholder identification or any aspect of luxury suite management.

Suite administrators, as salient stakeholders of the team/venue, have influence within their company related to luxury suite use and renewal. Other constituent groups (e.g., vice presidents of marketing) have been studied, but the suite administrator may be the most integral link between the team/venue and the company leasing the suite. There has also been speculation as to the future direction of luxury suite development, but no research has specifically examined relationships between suite operations improvement and perceptions of motivation to purchase or renew suites.

Research in the realm of luxury suites has been limited, as it is a new area of inquiry. However, there are studies that focus on suite owners and their motivations (Titlebaum & Lawrence, 2009; Titlebaum & Lawrence, 2010b), identifying corporate business types that purchase suites (Lawrence & Contorno, 2010; Lawrence, Kahler, & Contorno, 2009), how to get the best value from suite ownership (Titlebaum & Lawrence, in press), and the suite sales/customer relationship management process (Lawrence & Moberg, 2009).

## Stakeholder Identification

Academic research related to stakeholder theory and stakeholder management spans a wide range of

business disciplines from organizational ethics to applications in marketing case studies. Within this broad spectrum, however, there is foundational theory related to the identification of stakeholders and the meaning of the type of stakeholder to the organization. Sport business and sport facility management research provides little information regarding stakeholder identification in sport business and, specifically, facility management. The authors suggest that suite administrators meet the established definition of a stakeholder in the premium seating segment of the professional sport industry and should be recognized as such by professionals in team and venue management. One widely accepted definition of a stakeholder is, "any group or individual who can affect or is affected by the achievement of the organization's objectives." (Freeman, 1984, p. 46). Further, "voluntary stakeholders bear some form of risk as a result of having invested some form of capital, human or financial, something of value, in a firm . . . but without the element of risk there is no stake" (Clarkson, 1994, p. 5). Suite administrators bear the brunt of the responsibility for the effective use (per company objectives) of the suite, and considering the high financial cost of luxury suite leases (from \$10,000 to \$800,000 annually), there is significant financial risk to the corporation if the objectives of suite ownership are not achieved. Added to this, the idea that stakeholders are involved in exchange relationships with the organization has also been established (Cornell & Shapiro, 1987; Freeman & Evans, 1990; Hill & Jones, 1992).

Some of the most prominent work in stakeholder identification theory has been conducted by Mitchell et al. (1997) who suggest a three-part system to classifying stakeholder attributes, resulting in a more specific way to identify the significance of the stakeholder to the organization. Whether or not each of the three attributes is possessed influences the relative importance of the stakeholder to the organization. First, the attribute of power is identified as the stakeholder's ability to impose its will in the relationship. It is noted by Mitchell et al. that power can be both acquired and lost. Second, the attribute of legitimacy is described as a legal standing, moral claim, or socially-accepted structure or behavior. Mitchell et al., describes legitimacy as a standalone concept and argued that without the power to enforce the legitimate claim, it will not be important to the organization. Third, the attribute of urgency was identified. Urgency is related to how time sensitive and important the claim is to the stakeholder.

Within the strict definitions in place by Mitchell et

al. (1997), suite administrators are dependent expectant stakeholders (possessing legitimacy and urgency, but not power). This puts them at a moderate level of salience to the team/venue. Suite administrators ultimately lack power to influence the team/venue, even though they are intimately aware of the needs of the suite users and the purchasing corporation. They may have an urgent legitimate claim, but have to depend on the power of their supervisor to achieve the attention needed from the team/venue. The most important level of stakeholder to an organization is classified as a definitive stakeholder (all three attributes must be perceived by managers to be present) (Mitchell et al.). If all three attributes were perceived to be present in suite administrators by the team/venue, then the current theory suggests that the team/venue would give ultimate priority to suite administrators and their claims. To be extremely effective in their jobs, suite administrators must move from dependent expectant to definitive. Through a better understanding of the role suite administrator's play in the management and renewal of suites, they may become more relevant to professionals from the team/venue.

### **Luxury Suites in Professional Sport**

Even with the advancement in understanding of the luxury suite industry through recent research, there are still many areas that have gone largely unexamined. Recently, efforts to understand and identify suite owners (Lawrence, et al., 2009; Lawrence & Contorno, 2010; Titlebaum & Lawrence, 2009; Titlebaum & Lawrence, 2010b), how they can leverage their investment in suites (Titlebaum & Lawrence, in press), and the suite sales/customer relationship management process (Lawrence & Moberg, 2009) have been the focus of scholarly research in the area.

Identifying common business segments that own a suite is one key to success in sales and renewals. Lawrence et al. (2009) and Lawrence and Contorno (2010) researched corporate suite and premium seating ownership, establishing the types of corporations that own luxury suites in professional sport. The results have provided teams with a national data set upon which to examine their own penetration into certain market segments and to focus their sales efforts within corporate segments that have proven successful nationally. Results indicated that banks, attorneys, television/radio/newspaper, finance, and insurance were the top owners of suites in both 2007 and 2010. Some of the top five had switched positions, but overall the same business categories were represented. The 2010 (Lawrence & Contorno) study added an exami-

nation of other premium seating areas and found that for club seats, attorneys were by far the most common seat owner, followed by general contractors/home builders, doctors' offices, and insurance companies.

Developing an understanding of the motivations of suite owners is also important in sales, renewals, and establishing return on investment (ROI)/return on objectives (ROO) formulas. Titlebaum and Lawrence (2010b) examined how luxury suite sales professionals perceive their corporate client purchasing and renewal motivations. It was clear that strong relationships between the team and purchasing corporation, as well as the ability of the team to help facilitate relationships between the purchasing corporation and their clients, were perceived as very important during the buying decision (Titlebaum & Lawrence). Relationship cultivation throughout the year was found to be the most important variable that needed to be improved upon by teams (Titlebaum & Lawrence). Another key point relevant to the current study was that suite sales professionals perceived the role of the suite administrator in the renewal process as one of the most effective methods the team uses to renew suites (Titlebaum & Lawrence).

Getting the most return possible from purchasing a suite was the focus of a 2009 manuscript by Titlebaum and Lawrence. With many suite owners looking to cut expenses while at the same time maximizing returns, the investment of a suite purchase should be integral to the overall marketing and business development strategy of the company (Titlebaum & Lawrence). The strategic reason behind the purchase of a suite needs to be conveyed to the team, and in return the team should create unique experiences that help the purchaser realize objectives (Titlebaum & Lawrence). The authors point out that this approach involves all of the stakeholders, and by working collaboratively, the overall value of the suite can be amplified beyond expectations (Titlebaum & Lawrence).

Other relevant research has focused on the sales process associated with luxury suites (Lawrence & Moberg, 2009). With luxury suites considered a key account for teams and venues, the sales process is more involved than a typical product sale (Lawrence & Moberg). A two-stage luxury suite team-selling framework was created that specifies which individuals from the team/venue are involved in the selling process and which are involved in customer relationship management. Those involved in some aspect of the process are an outsourced database firm, inside sales, salespeople,

sales manager, client services, corporate sponsorships, marketing, facilities/operations, ticketing, catering, and customer data analysis (Lawrence & Moberg).

## Methods

At the 2009 Association of Luxury Suite Director's (ALSD) conference, conversations with industry professionals uncovered the need to understand the role luxury suite administrators play as stakeholders in the suite industry. These informal discussions led to the current study in an effort to assist professionals in the luxury suite industry. A 32-item questionnaire was developed based on previously identified areas of perceived motivations for suite purchases/renewals by other populations as well as identified areas of possible improvement in suite operations established by Titlebaum and Lawrence (2010b). Additional questions were added to assist in understanding the role of suite administrators and the importance of specific aspects of their job.

The survey was divided into three sections addressing: 1) perceptions that luxury suite administrators have about the importance of aspects of their position; 2) the importance of improvement in areas of suite operations; and 3) perceptions of motivations for suite purchases/renewals. All responses were measured using a 5-point Likert type scale (1 = not at all important, 5 = most important). The questionnaire was validated by a panel of experts with extensive experience in the luxury suite industry. The panel included the Executive Director of the ALSA, the owner of ROI Consulting, LLC, and the Vice President of Premium Seating – Columbus Blue Jackets. The experts required no substantive changes to the survey but did provide word choice suggestions which were implemented.

The participating teams were contacted based on recommendations from the Executive Director of ALSA. One team from each of the five major professional sport leagues (NBA, NFL, MLB, NHL, and MLS) was asked to participate. The unit of study was the suite administrator (N = 145), not the team, which allows for the small number of teams selected to participate. Additionally, the selected teams represent a broad cross-section of market sizes. Once the teams agreed to participate, they were asked to distribute the surveys to their suite administrators. Surveys and the accompanying email text were distributed online to suite administrators. In an effort to increase participation, follow up emails were sent to all non-respondents two weeks after the initial email.

The final number of respondents was 145 (47.08%) of

the original sample. Within each league, participation varied slightly, NFL 48 (45.71%), MLB 37 (44.75%), MLS 14 (43.75%), NBA 11 (42.71%), and NHL 35 (56.45%). Descriptive statistics were used to gauge the level of importance of each variable associated with the position of luxury suite administrator as well as the importance of team improvement in areas of suite operations and perception of motivations for suite purchases/renewals. To examine which areas of improvement were most significant in predicting perceptions of motivation to purchase/renew suites, Pearson's product-moment correlation and stepwise multiple regression were used. To ensure a large enough sample size and normal distribution, responses from all leagues were grouped together for data analysis. Significant relationships ( $p < .01$ ) were then entered into a stepwise multiple regression analysis. Stepwise multiple regression was chosen as a method due to the ability to generate the variables with the predictive ability while at the same time removing the least useful variables (Field, 2009).

## Results

### Descriptive Statistics

Descriptive statistics were used to gain a better understanding of the position of luxury suite administrator. When asked about the time commitment to the job, most (79.5%) participants responded that they spend from 1 to 8 hours overall per week on their suite administrator duties. Another 16.1% of respondents indicated they spent 9 to 16 hours per week, and the remaining 4.5% spent 17 to 24 hours on suite-related duties. When asked if being the suite administrator was their only duty with the company, 85.3% indicated they had other responsibilities, and 14.7% have only suite administrator responsibilities.

Overall, the descriptive results (Table 1) indicated differences of importance levels between variables in each of the three sections of the survey. When asked about the importance of certain aspects of their jobs, four variables were rated above a 4 (very important). Ensuring tickets are used ( $M = 4.46$ ,  $SD = .87$ ), ease of food/beverage ordering ( $M = 4.44$ ,  $SD = .84$ ), ensuring hospitality is responsive ( $M = 4.24$ ,  $SD = .87$ ), and tracking suite usage ( $M = 4.44$ ,  $SD = 1.14$ ) were the four variables rated as most important. Of medium importance were serving as a liaison between the team and company ( $M = 3.83$ ,  $SD = 1.14$ ), measuring feedback from ticket users ( $M = 3.71$ ,  $SD = 1.03$ ), suite administrator's role in renewals ( $M = 3.36$ ,  $SD = 1.35$ ), and the direction received on the

**Table 1.**  
**Suite Administrator Mean Scores**

Factor	Sample	Mean	Standard Deviation
<b>Importance of each in your role as suite administrator</b>			
Ensuring tickets are used	145	4.46	.87
Ease of food/beverage ordering	141	4.44	.84
Ensuring hospitality is responsive to needs	145	4.24	.87
Tracking suite use	145	4.06	1.14
Serving as a liaison between team/company	145	3.83	1.14
Measuring feedback from ticket users	145	3.71	1.03
Role in renewals	141	3.36	1.35
Direction received on your role as suite administrator	145	3.27	1.31
Rewards for taking on suite administrator role	140	2.09	1.27
<b>Importance of improvement by team/venue in each area to your company</b>			
Suite amenities	144	3.51	1.07
Personal touches to relationship	144	3.44	1.00
Menu upgrades	139	3.42	1.06
Ongoing relationship cultivation	144	3.38	1.05
B2B deal environment	143	3.15	1.22
Ensuring tickets are used	144	3.00	1.32
Suite branding	143	2.79	1.14
<b>Perception of importance of each in purchase/renewal decision</b>			
Customer service provided by team	144	4.13	.97
Entertaining existing clients	144	4.08	1.04
Food & beverage costs	142	3.96	.96
Entertaining new clients	145	3.85	1.17
Brand image of team in community	140	3.49	1.15
Ability to keep/gain business	145	3.41	1.20
Company perception in community	142	3.31	1.27
Supporting the community	143	3.20	1.16
Current team performance	144	3.35	1.09
Exclusivity	143	3.31	1.27
Setting company apart from competition	144	3.28	1.28
History of team performance	141	3.27	1.11
Entertaining employees	144	2.69	1.33
Personal use	144	2.12	1.26

role of suite administrator ( $M = 3.27$ ,  $SD = 1.31$ ).

The second section of the questionnaire sought to explore how important it is for teams to improve in areas of suite operations. Although no single variable stood out from the others, six of the seven variables under investigation were rated as important, including: suite amenities ( $M = 3.51$ ,  $SD = 1.07$ ), personal touches to relationship ( $M = 3.44$ ,  $SD = 1.00$ ), menu upgrades ( $M = 3.42$ ,  $SD = 1.06$ ), ongoing relationship cultivation ( $M = 3.38$ ,  $SD = 1.05$ ), the environment for business-to-business deals ( $M = 3.15$ ,  $SD = 1.22$ ), and ensuring tickets are used ( $M = 3.00$ ,  $SD = 1.32$ ). The final section of the survey examined the suite administrator's perception of the importance of a variety of variables in the decision to purchase/renew the suite.

Of the 14 variables, participants responded that customer service provided by the team ( $M = 4.13$ ,  $SD = .97$ ) and entertaining existing clients ( $M = 4.08$ ,  $SD = 1.04$ ) were the most important. Closely behind these two were food/beverage costs ( $M = 3.96$ ,  $SD = .96$ ) and entertaining new clients ( $M = 3.85$ ,  $SD = 1.17$ ).

### Regression

A Pearson product-moment correlation was conducted first to determine correlations between areas of suite operations improvement and perceptions of motivations to purchase/renew suites (Table 2). Those variables with significant correlation coefficients ( $p < .01$ ) were then entered into a stepwise multiple regression analysis. The stepwise multiple regression was conducted to determine which areas of improvement were

**Table 2**  
**Correlations Between Areas for Improvement and Motivations for Suite Purchase/Renewal Areas for Team to Improve Upon**

	Personal Touches to Relationship	Ongoing Relationship Cultivation	Suite Branding	Suite Amenities	B2B Deal Environment	Ensuring Tickets Are Used	Menu Upgrades
Perceptions of Motivations for Purchase/Renewal							
Entertaining New Clients	.24*	.32**	.13	.23*	.41**	.16	.20
Entertaining Existing Clients	.30**	.37**	.05	.37**	.32**	.10	.33**
Entertaining Employees	.21	.29**	.29**	.19	.23*	.29**	.26*
Personal Use	.27**	.32**	.37**	.21	.28**	.30**	.18
Ability to Keep/Gain Business	.22*	.32*	.17	.26*	.38**	.16	.16
Supporting the Community	.09	.14	.08	.10	.14	.12	.13
Company Perception in the Community	.15	.22*	.21	.19	.29**	.08	.20
Brand Image of Team in Community	.19	.39**	.22*	.31**	.38**	.21	.30**
Setting Company Apart from Competition	.17	.28**	.32**	.22*	.43**	.21	.09
Exclusivity	.27**	.36**	.28**	.30**	.42**	.10	.27*
Current Team Performance	.13	.22*	.14	.20	.15	.25*	.13
History of Team Performance	.26*	.41**	.19	.33**	.36**	.25*	.28**
Customer Service Provided by Team	.17	.23*	.00	.39**	.21	.17	.26*
Food/Beverage Costs	.21	.24*	.14	.22*	.29**	.20	.26*

\*p < .01. \*\*p < .001.

most significant in predicting perceptions of motivation to purchase/renew suites (Table 3). The regression results showed that there was little ability to explain the variability. However, the results do indicate which areas of improvement have the best ability to predict perceptions of motivation to purchase/renew suites.

How suite holders use the suites for events was the first group of dependent variables under investigation. The perceived motivations of entertaining new business clients, entertaining existing business clients, entertaining employees, and personal use are all ways to use the suite. The results of the regression analysis indicated that improvements related to creating more unique experiences to conduct business-to-business deals entered into the model ( $\beta = .405$ ,  $p = .000$ ) for entertaining new business clients and accounted for 16.4% ( $R^2 = .164$ ) of the variability. With respect to entertaining existing clients as a perceived motivation for suite purchases/renewals, it was found that ongoing relationship cultivation ( $\beta = .272$ ,  $R^2 = .135$ ,  $p = .002$ ) and improving suite amenities ( $\beta = .241$ ,  $R^2 = .049$ ,  $p = .005$ ) accounted for 18.4% of the variability. Entertaining employees as a motivation for suite purchase/renewal was found to be predicted by improving suite branding ( $\beta = .215$ ,  $R^2 = .096$ ,  $p = .012$ ), ensuring suite tickets are being used ( $\beta = .195$ ,  $R^2 = .046$ ,  $p = .023$ ), and improving upgrading of menu options ( $\beta = .174$ ,  $R^2 = .028$ ,  $p = .037$ ). Together, these three vari-

ables explained 17% of the difference with entertaining employees as a motivation for suite purchase/renewal. Two variables were significant when examining the use of the suite for personal reasons as a motivation for purchase/renewal. Improving assisting with suite branding ( $\beta = .351$ ,  $R^2 = .165$ ,  $p = .000$ ) and improving assisting with ensuring suite tickets are being used ( $\beta = .194$ ,  $R^2 = .035$ ,  $p = .016$ ) entered into the model.

The next group of variables related to the positioning of the company as a motivation for purchasing/renewing suites. These include the impact the suite has on keeping and gaining clients, the perception of the company in the community, setting apart the company from its competition, the value of exclusivity, and the brand image of the team in the community. For four of the motivation variables, the only improvement variable to enter into the model was improving on creating more unique experiences to conduct business-to-business deals. The motivation variables associated with improving on creating more unique experiences to conduct business-to-business deal included the impact the suite has on keeping and gaining clients ( $\beta = .378$ ,  $R^2 = .0143$ ,  $p = .000$ ), the company's perception in the community ( $\beta = .291$ ,  $R^2 = .085$ ,  $p = .0000$ ), setting the company apart from the competition ( $\beta = .435$ ,  $R^2 = .189$ ,  $p = .0000$ ), and the value of exclusivity ( $\beta = .388$ ,  $R^2 = .150$ ,  $p = .000$ ). However, the brand image of the team in the community as a perceived motivation

**Table 3**

**Summary of Stepwise Multiple Regression Analysis for Improvement Areas Predicting Perceptions of Motivations for Purchasing /Renewal**

Dependent Variables	Independent Variable	Unstandardized Coefficients		Standardized Coefficients	
		Standard B	Error	$\beta$	t
Entertaining New Clients		2.62	.25		10.49
	B2B Deal Environment	.39	.07	.41**	5.23
Entertaining Existing Clients		2.35	0.33		7.16
	Ongoing Relationship Cultivation	.27	.09	.27**	3.18
	Suite Amenities	.23	.08	.24**	2.80
Entertaining Employees		.70	.42		.07
	Suite Branding	.25	.10	.22*	2.55
	Ensuring Tickets are Being Used	.19	.08	.20*	2.31
	Menu Upgrades	.22	.11	.17*	2.10
Personal Use		.50	.30		1.69
	Suite Branding	.38	.09	.35**	4.41
	Ensuring Tickets are Being Used	.18	.08	.20	2.44
Ability to Keep/Gain Clients		2.23	.26		8.64
	B2B Deal Environment	.37	.08	.38**	4.85
.Company Perception in Community		2.39	.28		.844
	B2B Deal Environment	.30	.08	.29**	3.59
Brand Image of Team in Community		1.50	.36		4.18
	Ongoing Relationship Cultivation	.36	.09	.33**	3.93
	Menu Upgrades	.24	.09	.22*	2.56
Setting Company Apart from Competition		1.82	.27		6.95
	B2B Deal Environment	.46	.08	.44*	5.70
Exclusivity		2.06	.28		7.38
	B2B Deal Environment	.40	.08	.39**	4.83
Current Team Performance		2.75	.22		12.51
	Ensuring Tickets are Being Used	.20	.07	.25**	3.01
History of Team Performance		1.63	.32		5.13
	Ongoing Relationship Cultivation	.31	.11	.28**	2.92
	B2B Deal Environment	.19	.09	.20*	2.03
Customer Service Provided by Team		2.98	.27		11.21
	Suite Amenities	.33	.07	.37**	4.56
Food/Beverage Costs		2.83	.30		9.50
	B2B Deal Environment	.16	.70	.21*	2.35
	Menu Upgrades	.18	.08*	.20*	2.23

\*p < .05. \*\*p < .01.

to purchase/renew a suite was predicted by two variables: improving ongoing relationship cultivation ( $\beta = .330$ ,  $R^2 = .0168$ ,  $p = .000$ ) and improving upgrading of menus ( $\beta = .215$ ,  $R^2 = .040$ ,  $p = .012$ ). Together, these two variables accounted for 19.6% of the variability associated with brand image of the team in the community.

The final group of perceived motivation to purchase/renew variables is associated with the performance of the team. Current and historical team performances were both evaluated as perceived motivators for purchase/renewal decisions. Results indicated that improving on assisting with ensuring tickets are being

used ( $\beta = .246$ ,  $R^2 = .060$ ,  $p = .003$ ) entered into the model for current team performance. For history of team performance as a perceived motivator to purchase/renew suites, it was found that improving ongoing relationship cultivation ( $\beta = .282$ ,  $R^2 = .155$ ,  $p = .004$ ) and improving on creating more unique experiences to conduct business-to-business deals ( $\beta = .196$ ,  $R^2 = .026$ ,  $p = .044$ ) together explained 18.1% of the variability. Overall, customer service as a perceived motivator was predicted by improving on suite amenities ( $\beta = .366$ ,  $R^2 = .134$ ,  $p = .000$ ), and the cost of food/beverage was predicted by improving on creating more unique experiences to conduct business-to-business deals ( $\beta = .205$ ,  $R^2 = .073$ ,  $p = .020$ ) and improving on menu upgrades ( $\beta = .200$ ,  $R^2 = .036$ ,  $p = .024$ ).

## Discussion & Implications

Professional sport teams have typically been hesitant to share critical information regarding suite ownership amongst each other and with their clients. As a result, research and understanding of all aspects of the luxury suite segment of the industry is lacking. Not only has this hindered research in the area, but it has also made it difficult for professionals in suite sales as well as corporations owning suites to truly understand all of the particulars of those involved. Companies have simply been left to their own devices in many cases to determine the best practices in suite ownership.

As demonstrated in this study, suite administrators are essential to success because they are the day-to-day link between the team and purchasing corporation. Although corporate CEO's may make the ultimate decision regarding whether or not to purchase suites, suite administrators are the ones most in touch with suite usage and service.

### Understanding the Role of Suite Administrators

Teams and venues are aware that suite administrators spend time on suite issues, but the actual time spent has not been previously available. Most suite administrators spend less than eight hours per week on their suite-related duties and have other duties in the corporation. This may not seem like a significant amount of time, but critical to this evaluation is that suite administrators are not marketing professionals; they are individuals within the organization who have generally been selected for this role because they are detail oriented, can handle multiple tasks at once, and have earned the trust of the corporate decision makers. Through open-ended survey questions, it was discov-

ered that often the suite administrator is thrust into this new role with no training and little supervisory guidance. With such a valuable commodity (costing up to \$800,000 per year), it might behoove the organization to dedicate more time to leveraging the investment.

The four variables that were rated as very important in their role as suite administrator were not surprising. With respect to tickets, ensuring tickets are being used and tracking suite usage are both critical to the role of suite administrator. It has previously been found that entertaining new and existing business clients was perceived as important by suite sales professionals (Titlebaum & Lawrence, 2010b). For teams that value entertaining clients, it is important to have an evaluation method in place through tracking of ticket usage and overall suite usage to begin to understand the value of suite ownership. It is unclear from the current study how suite usage is tracked and whether or not this includes any aspect of measuring ROI/ROO. But, it is unlikely that current methods are providing important measures of ROI/ROO back to the decision makers in a way that will help to inform future decisions regarding suite renewals. Educating the suite administrators regarding company objectives and providing tools for effective ROI/ROO evaluations will only enhance the role of the suite administrator.

The ease of food/beverage ordering as well as ensuring hospitality is responsive were also rated as highly important. The service provided in the suite sets the tone for the experience for all of the users. With a limited amount of time to dedicate to suite related functions, suite administrators need to be able to order food/beverage easily as well as be able to request special accommodations from the team's suite services staff. For example, when a corporation is entertaining visiting executives, they might request to be able to stay in the suite at the conclusion of the game longer than normal or maybe to use the suite on a non-event day for a meeting. In either scenario, it is important to the suite administrator that the team is responsive and accommodating.

The importance of the suite administrator's role in renewals was rated at a medium level of importance. This is an example of suite administrator's not being as highly valued as other stakeholders that are part of the suite renewal process. It is likely that corporate decision makers are missing out on vital information that could help them be more informed during the suite renewal process by not engaging the suite administrators more actively in this process.

## **Suite Operations Improvements**

The areas under investigation related to possible suite operations improvements were established through previous research regarding perceptions of suite sales professionals (Titlebaum & Lawrence, 2010b). As such, studying similar variables with a different population representing the buyer of the suite as opposed to the seller of the suite provided some comparisons. In both studies, relationship cultivation and upgrading suite amenities were perceived as important. However, suite administrators perceived improvements in suite amenities to be the most important factor to them while relationships topped the list for suite sales professionals. It is positive that both sides of the suite equation (team and purchaser) have similar beliefs concerning where improvements need to be made.

## **Perceptions of Motivations to Purchase/Renew**

The most important area to those working on the selling side of suites may be to understand the motivations of suite purchasers in their decision to buy and renew their suites. For suite administrators, it was perceived that customer service provided by the team was the most important area related to purchasing and renewal decisions. Food and beverage costs were also highly rated indicating the importance of keeping these costs reasonable for clients already paying a premium for access to the suite. Although those two variables were not under investigation in the Titlebaum and Lawrence (2010b) study on suite sales professionals, other variables are comparable.

When suite sales professionals were asked what the most important factors are to corporations in their buying decision of a suite, entertaining new and existing clients tied for the top spot (Titlebaum & Lawrence, 2010b). Similarly, suite administrators indicated that entertaining new clients was the second most important factor and entertaining new clients was the fourth most important factor. It is clear that entertaining business clients is a primary reason for the purchase and renewal of suites. Overall, suite sales professionals were found to rate the entertainment of clients far ahead of any other variable that they thought was important (Titlebaum & Lawrence), but suite administrators rated those and other factors (customer service and food/beverage costs) at similar levels.

The mean scores for variables related to brand image of the team in the community, the company per-

ception in the community, and supporting the community were higher in the suite administrator study as compared to the perceptions of suite sales professionals (Titlebaum & Lawrence, 2010b). This might demonstrate that teams are unaware of, or are undervaluing, the high importance that suite owners place on these intangibles related to suite ownership. This disconnect could result in lost suite renewals if teams and corporations do not communicate about the level of importance placed on these factors. For example, if athletes on the team are in trouble with the law and the community image of the team is that the ownership is unconcerned with the digressions, companies may not want to own a suite and be associated with the team. Suite marketers should be aware of and concerned with this interaction between the team, community perception, company perception, and suite ownership.

Even though the suite administrator does not make the ultimate decision to purchase or renew a suite, savvy corporations will seek the input of the suite administrator on issues related to day-to-day operations of the team/corporation relationship and the value of suite ownership. For both sides, the sellers and purchasers, it is important to understand where there is a common understanding as well as where gaps in understanding occur.

## **Areas of Improvement that Predict Perceptions of Motivations to Purchase/Renew**

It was decided to examine the relationship between variables related to importance levels of areas of improvement for teams and perceptions of motivations to purchase/renew suites because if teams understand which areas of improvement are tied to perceptions of motivations to purchase/renew suites they might be able to enhance their sales/renewal rates. Little predictive ability was found, but a few areas are worthy of discussion. For suite owners who are perceived to be motivated to purchase/renew suites by entertaining new business clients, it was found that teams should enhance the business-to-business deal environment. Likewise, those that indicated entertaining existing employees as a motivating factor might be influenced by improvements in ongoing relationship cultivation and enhancing suite amenities. Both of these results make sense in that for new clients, the objective of inviting them to the suite is often to close business deals. Thus, corporations are looking to the teams to provide an atmosphere that is conducive to that objective. With respect to entertaining existing clients, the suite owner may be less concerned about closing

deals and more interested in enhancing and solidifying business relationships. The enhancement of suite amenities will keep the environment fresh and exciting for all involved and the stronger the relationship is between everyone, the better the suite experience.

Enhancing the business-to-business deal environment was shown to relate to most motivation variables. In fact, variability was partially explained by this variable for four perceived motivators (setting apart the company from their competition, the value of exclusivity, history of team performance, and food/beverage costs). Given these results, teams may want to focus on working with corporations to examine the current business-to-business deal environment and explore creative ways to develop the environment. Since much of the predictability is left unexplained by this research, future research should explore other variables that remain untested. By giving teams a place to start, they may positively impact their sales and renewal rates by focusing on a few areas of improvement.

### **Future Research**

In the future, there are a multitude of areas for additional research. The measurement of ROI/ROO of suite purchasers is an area that is often discussed, but no study to date has been able to capture, test, and evaluate identified areas of importance for suite owners. Since data is now available regarding perceptions of motivations for suite purchases from suite administrators as well as from suite sales professionals (Titlebaum & Lawrence, 2010b) the next step is to place a value on identified variables and then evaluate what teams are receiving in return for their investment. A better data source for motivations for purchase would be from the decision makers within corporations that own suites, so qualitative or quantitative data gathered from CEOs or vice presidents of marketing would also be a valuable future study.

### **Conclusion**

This research adds to the existing literature on luxury suites in professional sport and takes suite professionals and academics further along the path to understanding the considerations of stakeholders involved in suite sales, operations, and evaluation. It is easy to understand how luxury suite administrators, as stakeholders, are minimized and may not be seen as a top priority, but this is short-sighted. These people are on the front line of the suite industry.

The findings demonstrate a need to create a dia-

log between suite owners and suite sales professionals about the role of luxury suite administrators. This, in turn, should lead to a better understanding between all parties about the needs of the corporation purchasing the suite and how the team can better meet those needs. Educational efforts for suite administrators from the team should focus on best practices in suite usage, management, and ROI/ROO measurement options. Equally as important, educational efforts from the corporation should focus on objectives of the suite purchase and how the decision maker would like to measure ROI/ROO.

Teams need to understand the importance of suite administrators to the suite industry. These individuals are the link between the suite purchasers, users, and team and are in the trenches of suite management on a day-to-day basis. As stakeholders, their value will move from a medium (dependent expectant) to a high level (definitive) as their input is sought and they are provided the tools they need to leverage the suite in the best possible way for their organization. The more value the team realizes from their suite purchase, the more likely a renewal of the suite is for the team. The end result is a win-win situation for all involved and a greater understanding of what is going on behind the suite door.

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