

## Chapter 19: Groups for Sellouts

*Ground rule #19: Funnel groups to the better attractions to help get more sellouts.*

What's wrong with this picture?

There are 50 yellow school buses, as long as a train, queuing up in front of the arena. One after another, each bus disgorges 44 school kids with their teachers and chaperones. These kids are about to see their home team play.

Because of a special fund-raising plan by the local team, these 2,200 people were able to raise over \$6,000 for their community library. You see, for each \$20 nosebleed seat that the students bought, the team donated \$3 to help rebuild the local library that was recently destroyed by fire. The \$3 donation is actually the normal group discount.

The salesperson that put this creative plan together greets the school coordinator. And the salesperson certainly should. If he was getting 10% commission, he put more than \$4,000 in his pocket. Not a bad haul for just one game!

Management, of course, loves the sale. The salesperson did everything right. This includes selling the group on attending a game on a Tuesday night when the home team faces one of the poorest attractions in the league. These kids are going to fill 2,200 nosebleed seats that would have surely gone empty. Because of the group, the home team will have sold almost 50% of its seats for this crummy game.

Quite a marketing accomplishment! Yes and no.

What a great group sale! Yes and no.

What possibly could be wrong with this picture?

It certainly isn't the size of the group. Or the income.

The one thing wrong with this picture:

*The large group didn't sell out the arena.*

Now, let's paint a different picture.

That same line of school buses is lining up outside the arena. This time the line is a lot longer. Instead of 50 buses, it seems like there are 75-80. 44 kids and their teachers are pouring out of the buses. This time, there are more parents pouring out of the buses also. There are even some brothers and sisters getting off the buses as well. You see, it's a Friday night and the parents don't have to go to work the next day so Mom and Dad could also attend the game.

After the buses drop off the group, the parking manager directs the buses to a separate lot. They can't stay parked in front of the arena this time because there are thousands of other fans coming to the game as well.

Putting this big group on one of the team's big Friday night games accomplishes two key things:

1. **More tickets sold.** Naturally more people will be able to attend the game because it's on a Friday night instead of a Tuesday night. There is no work the next day and nobody has to go to school either. A team might see 50% more tickets in a specific group sold for a Friday night game against a big-time opponent with a superstar versus a Tuesday game against a poor opponent. In this case, the more tickets sold, the more money was also raised for the community library.
2. **Scoring a Sellout.** Prior to this big group, the game probably was not going to sell out. Sure, there would have been a decent walk-up because of the opponent but if your team is selling less than 50% of your building on season ticket packages, there are very few teams that will generate a sellout from walk-up fans.

Remember, our marketing goal is to *sell out more games*. To achieve that, we definitely need the help of groups. By redirecting a big group from a game with poor attendance to one that already has pretty good attendance, we could score another sellout in the process.



*“Hold your horses right there,”* says the Naysayer from the back of the room. *“By putting that group on a big night, we now have a horrible crowd for that Tuesday game, and, we gave up some revenue by discounting the tickets for a big game.”*

The Naysayer is right on both counts. However, neither of his points matter in the long run. Let me explain.

## **DRESSING UP POOR CROWDS**

Some teams will say that a large group will help “dress up the arena” for a poorly attended game. This is true. Large groups will help cut down the echoes in a largely vacant arena. And large groups *will* dress up an arena of empty seats. Many teams will steer groups to these lesser attractions by two means:

1. **Bigger discounts.** To encourage groups to attend the lesser games, teams will often give larger discounts for those games. Or, they’ll limit the number of group tickets to those better attractions, thus trying to force groups to attend lesser games. These teams are doing the *exact opposite* of The Sell Out Mentality!

These teams are trying to funnel fans to the *lesser attractions*; we’re trying to funnel fans to the *better attractions* to help give us more sellouts.

2. **Bigger commissions.** Besides providing bigger discounts for group nights to the lesser attractions, some teams will provide their sales staff with bigger commissions on group tickets for those lousy games. Which tickets do you think the salesperson will push the hardest? You’re right, the tickets to the games that fans don’t want to see. While at the New Jersey Nets, we did the opposite. We provided a bigger commission for group tickets sold to our targeted games that we wanted to sell out.

With an extra price incentive and a little extra sales pressure, many groups will attend the poorer games. What happens then?

1. **The group doesn’t have as much fun.** Let’s remember, individuals in a group are people too. They’ll get just as caught up in the atmosphere of a sold-out game as the regular fan will, perhaps even more so because they’ll have more people to share the excitement with. Attending a sold-out game as a group can provide a big boost in their fun. Compare that experience to the one that they would have at a lesser attraction. Sure, they probably paid less for the ticket. Sure, the salesperson made more money. But, did the group have more fun cheering in a largely empty arena? I doubt it.
2. **You sold fewer tickets.** Because you put the group on a weeknight with a poor opponent, it’s pretty much guaranteed you sold fewer tickets to that group. Fewer people go out to sporting events during the week and since these group buyers aren’t hard core fans, they are even less likely to want to see a weak opponent with no stars.
3. **You don’t get another sellout.** By funneling groups *away from* potential sellout games, you’re limiting your sellouts only to the infrequent huge attractions. The more games you sell out, the more you’re reducing your inventory of games to sell out. When you continue to sell out games, you would then be naturally funneling fans to those lesser attractions because they would be the only games left with tickets to sell.

Instead of marketing to encourage groups to go to your lesser attractions, build incentives to encourage them to come to the games where they can help you sell out. However, these incentives should not be a bigger discount! The incentives you could use are:

1. **Unlimited group tickets to big games.** Some teams don't even offer group tickets to their bigger games, or they severely limit the number of tickets they sell to groups. *Why?* I've asked. The response usually went like this: *We don't want to shut out our walk-up crowd.* I want to scream, **"SHUT OUT THE WALK-UP BUYER!"** If the walk-up crowd is shut out of a game because it is sold out, they won't stop coming. They're fans! If the walk-up crowd is shut out on a regular basis, *they'll figure it out.* They then become great candidates for a mini-ticket package. Or, they'll start to buy tickets *in advance* on your ticket web site, which would give you their name and address making them an identifiable prospect for a ticket package. Or, the walk-up buyer will go to one of your lesser attractions.

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*It's a good thing whenever you  
can shut out the walk-up buyer!*

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If by selling a large amount of groups to a targeted game, you might be able to sell it out two weeks in advance. If you do sell it out that far in advance, be sure to advertise in the newspaper that the game is sold out. You might consider those ads as public service announcements to your walk-up crowd that they shouldn't show up the night of that sellout game. That ad would also subconsciously underscore that those fans should buy one of your ticket packages.

2. **Where extra group tickets come from.** If you are using Full Menu Marketing, you have to reserve a seating zone for ticket packages. You also should have established seating zones for your targeted sellouts for group tickets. Despite your careful planning, your ticket package seating zone may be bigger than the number of ticket packages your team sold. These unsold seats in the ticket package zone would not be sold individually to walk-up buyers. I'm not suggesting that any of these unsold seats reserved for ticket packages should go empty. They can be included for groups.

I've seen some teams put all their unsold seats on sale to the general public as soon as possible. Fans gobble up every seat to the blockbuster games. The team then announces they sold out one or two games. But by selling those games individually, they have lost the chance to use tickets for that game to sell out other games. By setting up your seating zones (see Chapter Seven, *Full Menu Magic*), you will hold a certain number of seats for your ticket packages and take all the remaining seats available after you've set up your package zones and sell them to groups. Remember, the goal is to sell as many tickets as you can in advance to people *other than single-game buyers*.

Don't feel you have to provide something in advance for the walk-up buyers for the bigger games. Don't. Let the walk-up buyer have the last couple rows in the building. Use all the other available seats for group ticket sales.

3. **Value added instead of a discount.** Teams don't have to discount group tickets, particularly for bigger games. In lieu of a discount, I have preferred to provide value added for groups. For each full-priced group ticket sold, we would give away a \$22 cap. The cap costs us about \$1 when ordering 120 days in advance from China. The cap is a far better deal for the fan than getting just a \$1 discount; it's far better for the team to get the full price for the ticket (less the \$1 cap) and not a heavily discounted ticket. (Don't worry that giving away the cap will hurt your sales in your team shop. We gave away hats for years with group tickets and have always done robust sales of caps in the team shops.)
4. **Bigger commission.** That's right, you provide your salespeople a bigger commission for the bigger games. After all, you're trying to motivate the salespeople into selling group tickets to the games that you have targeted for sellouts. It could look something like this:

*GROUP COMMISSION FOR TARGETED GAMES*

<b>Game</b>	<b>Commission</b>
Previous year, All games	10%
This year, Targeted games	12%
This year, Lesser games	6%

Occasionally, you may get a group leader who just has to go to a lesser game because of their schedule. That's okay. Take the order. 6% commission for the salesperson is better than nothing.



*“Just wait a minute,”* the Naysayer might shout, *“we’re giving bigger commissions for the easier sales? That just doesn’t make sense at all.”*

I thought that type of commission would get the Naysayer all fired up.

Here's my answer: “Sure, it makes sense when you're operating on The Sellout Mentality. In the short term, you would indeed be paying larger commissions for the bigger games. But we can't always be focused on the smaller picture. We do have to look at the bigger picture, and in this case, how much does it help the team to gather a few (or a lot) more sellouts by getting assists from groups?”

## **WHERE DO YOU FIND THE GROUPS?**

Just like corporations, you can buy a list of group leads from your list broker. However, unlike companies where the top executives tend to stay the same year to year, groups many times have different people in charge each year. That makes it difficult to purchase leads with the right contact information. Let's look at the different type of group leads you want your list broker to provide. The broker should give you everyone within a 30-50 mile radius of your building. The reach will differ in each market:

1. **Corporations.** Groups in corporations could fall into a couple different categories. Companies might: 1) do a company picnic group outing for all their employees and families; 2) entertain key clients in a group setting; 3) recognize and reward employees on a department by department basis or; 4) support local youth charities. If you haven't already purchased a list of corporations for your outside sales staff to call on for ticket packages, now is the time to buy the list of all companies with 10+ employees and \$500,000 or more in sales. Your outside sales staff will primarily be calling on these corporations. Have the list broker leave out retail establishments and any government office under 50 people. Government offices aren't good season ticket prospects but larger offices are good candidates for groups.
2. **Community Groups.** Youth sports leagues, churches, schools, parks and recreations, YMCAs/YWCAs, and the like fall into this category. The list broker should be able to supply you with the group name, address, and phone number for most community groups. You may get one contact person as well, such as the pastor of the church, the principal of a school, or the executive director of the YMCA. Youth leagues tend to have new leadership each year and may not be registered in a way where a list broker can find them. If not, use the Internet to search them out or call each City Hall in your market to ask.
3. **Charitable Organizations.** These are groups looking to raise money for their charities or foundations. You might overlap some charitable organizations with community groups.

Just like corporations don't have a Vice President of Season Ticket Purchasing, most groups don't have a Director of Group Outings. But, like with targeting the CEO of corporations, there are ways to build a solid group sales database. We call it list *cleansing*.

## **LIST CLEANSING**

Even after your list broker sends you the group leads, you still have work to do. You have to ferret out the names and phone numbers for all the sub-groups inside the group.

There is only one way to ensure you get the right contact person and the right contact information for each group lead, whether it be a church, school, or company.

*You have to call each and every organization.*

Yep, there is just no way around it; to get a group list that is highly productive for you, you'll have to create that list almost from scratch. We call this *cleansing* the database, but it's more appropriately described as *filling the database with good contacts*.

Contact names change for groups on a yearly basis. For most groups, being in charge of the group is a volunteer or elected position. They aren't getting paid to coordinate social outings and events. After their one or two-year term is up, someone else takes over. Because of this change, cleansing your group database never ends.

## *You have to call each and every organization.*

Group database cleansing should take place in the off-season, outside of the prime selling season. For baseball teams, this would mean cleansing calls from September through December. For NBA or NHL teams, it would mean calls from April through September. If you're an NHL or NBA team that also handles group sales for other events in your arena, database cleansing is an on-going process throughout the calendar year. Cleansing is important for two strong reasons:

1. **Quicker and more group sales.** Your group salespeople don't have to make countless calls in the prime selling season just to find a group leader. Their first call is to the leader and the group sales process begins immediately. The group salespeople can be far more efficient when the calendar dictates that they be efficient if the prospect list has been carefully cleansed.
2. **Mailings are more effective.** By having the right contact and address, group ticket catalogs and special mailings get to the right person instead of being shuffled around or lost in the mailroom.

Here are just some of the different possible group leaders for different group categories:

1. **Churches.** The name of the pastor may come with the list you purchase, but the pastor isn't usually the person who organizes a group to attend a game. When teams send a group brochure to the pastor, it is oftentimes ignored. Here are just a few group possibilities within a church:
  - Youth Group Leader.
  - Singles Group Leader.
  - Sports and Athletics Coordinator.
  - Fellowship Coordinator.

Thus, after 'cleansing the list' you could have three or four different contact names at a church, each one delivering a different group purchase to a different game.

2. **Schools.** You probably would get the name of the principal with your purchased list, but you wouldn't get the names, phone numbers, and email addresses from these possible group leaders:

- PTA President.
- Student Council Advisor.
- Senior Class Advisor.
- Athletic Director.
- Band Director.
- Teachers involved in extracurricular activities.
- Teachers involved in fund-raising.

**3. Companies.** Typically within a company, the Human Resource Director (or someone on their staff) is the person who would organize groups. However, with bigger companies, group leaders could come from different departments. For example, JCPenney's corporate headquarters was just ten miles from the Frisco RoughRiders. They had about 5,000 employees at their headquarters. Even though the RoughRiders were never able to get a full company outing planned with JCPenney corporate, the RoughRiders still had plenty of groups come from the company. At one point, the RoughRiders had 16 different group leaders in their database from the JCPenney office.

We first started this process of cleansing while I was with the New Jersey Nets and I named Steve the Director of Group Sales. We started with a purchased list of 5,000 names from schools, churches, non-profits. During the off-season, we called every one of those 5,000 names. We came up with the correct contact for each organization and we *added 10,000 more contacts* from our phone calls. Our purchased list of 5,000 was now a highly targeted list of 15,000. That season, the New Jersey Nets went from last in the NBA for group sales to first. We felt that the rise from last to first was possible when we *cleansed* our original purchased list.

## ***THE ONE SURE WAY TO GET THE RIGHT NAME***

For most teams, the salespeople generally don't focus on group sales until a month or two before the season has started. This is, of course, a huge mistake. To maximize group sales, you need a year-round effort in group sales database building, name cleansing, and selling. By only working on groups a month or two before the season starts, the salespeople will be spending prime selling time making calls just trying to figure out who the right group leader is. Even NBA and NHL teams that handle group sales for all their arena events should have some of their group salespeople do nothing other than name cleansing and sell tickets for the team's games.

As a general rule of thumb, we've found that group salespeople should have a database of about 1,500 group leads per salesperson. The salesperson should work every one of these leads for sales and referrals for other group leads. For example, if you've been able to cull together 6,000 group leads, you should have at least four salespeople solely dedicated to year-round group ticket sales.



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*If you have 6,000 group leads, you should have at least four salespeople solely dedicated to year-round group ticket sales.*

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These group salespeople shouldn't be calling single-game buyers or other leads, just groups. 1,500 leads for any group salesperson is plenty. However, some salespeople may grow their database of leads over time as they add more referrals. That's terrific, but the Sales Manager should keep close tabs on the amount of leads per group salesperson. If the Sales Manager finds that a group salesperson isn't able to call all of their leads, more salespeople should be added.

As we discussed in the Chapter 13 on building a superstar sales staff, the salesperson should return ten dollars for every dollar that he/she keeps. That \$10-to-\$1 ratio should also apply to group salespeople.

## **GROUP SALES 'BOOT CAMP'**

When somebody enlists in the Marines, they don't just hand that enlistee a weapon and tell them to go shoot bad guys. They put each enlistee through a 13-week boot camp. They teach them everything from how to wear their socks, to making the bed, to shooting a weapon, to marching in formation. By the time a Marine is done with boot camp, they know everything they need to know about their job. The Marines can't afford to have a single soldier unprepared for whatever is thrown at them.

If you could make group training 13 weeks long, you'd feel pretty good about each salesperson's ability to be successful as well. However, in the world of selling tickets, there's no way a team could take one-fourth of the year to train group salespeople. While teams can't take that long to train, they can make sure the group salespeople are ready for whatever is thrown at them as soon as they make that first phone call. We did that by having our own boot camp, not for Marines, but for group ticket salespeople. Our boot camp didn't last 13 weeks. We took three super-concentrated days.

We started our first Group Sales Boot Camp at Mandalay. We took all of the group salespeople from our teams to an out-of-the-way place where they couldn't be distracted. They stayed together at a hotel and we held the training in the hotel conference room. For three intensive days, we drilled them on group sales fundamentals. We practiced calls to all different types of groups. The boot camp wasn't allowed to end until every single person scored 100% on their role play group sales calls. You can read more about how to put on a boot camp in our Group Sales Boot Camp Manual that comes with *THE ULTIMATE TOOLKIT*.

Did it work, you better believe it. We set records in towns like Staten Island and Frisco for group tickets sold and total group revenue. In Staten Island alone, we increased group ticket sales by over \$1,000,000 in three years. This is for a team that only plays 38 home games. Our Double-A baseball team, the Frisco RoughRiders, sold more group tickets than half of the Major League baseball teams.

## **YEAR-ROUND GROUP SALES MARKETING**

With a year-round group sales staff, it's imperative you also have a year-round group sales marketing strategy. As society becomes busier and busier, groups and organizations are planning further and further ahead for events and activities. Some companies, schools, and churches lay out their entire social calendar a year in advance.

Let's assume you are a baseball team with a year-round group sales staff. Your twelve month marketing schedule might look something like this:

#### **GROUP SALES PLANNING CALENDAR FOR A BASEBALL TEAM**

<b>Month</b>	<b>Item</b>	<b>Description</b>
September	List cleansing begins	The season is winding down. Start updating names and addresses via phone calls and emails to existing groups.
October/November	New lead prospecting	Throughout the list cleansing process, be looking for new leads and contacts for new groups.
November	Preferred Buyer letter mailed and follow up calls	This letter goes to all group buyers from the previous season giving them first crack at the best games and best inventory for the following season. A sample is at the end of this chapter.
January	Group catalog is mailed and follow up calls	Post-holiday, mail a group catalog with every inventory option to all cleansed names in the database.
February-April	Specific group night mailings sent	These are mailings for special nights such as Scout Night, Faith Night, Youth Clinics, etc.
Late April	Think Tank Planning Session	This would be a 1-2 day off-site planning session for the following season, reviewing what's working, what's not working, and what needs to be changed for the following season.
April-August	Prime selling season. Additional offers sent to get early season groups to come back a second time	Multiple calls made to everyone in the database. Continue to develop new leads.
September	Cleansing calls begin	Repeat cycle.

Group sales used to be the activity that the ticket salespeople would do *after* they had spent five months before the season trying to sell full season tickets. While I was with the New Jersey Nets, we tinkered with that dynamic. We installed a five-person, 12-month-a-year group sales staff complete with Steve as the dedicated Group Sales Manager. In one season we went from last-to-first in group ticket sales in the NBA.

When I became President/Managing Director of Mandalay Baseball Properties, I installed that group sales philosophy to our minor league baseball teams. Because of the success we had in group sales with the New Jersey Nets, it didn't surprise me that the same philosophy would work in minor league sports. If anything, what surprised me was how dramatic the success

would be for a 12-month-a-year dedicated group sales staff. I'm going to restate just two of our successes:

- **Short-season Single-A baseball in Staten Island.** Our dedicated 12-month-a-year group sales staff increased group ticket sales by over \$1,000,000 in three years. This, of course, was phenomenal; particularly when you consider that the short season team had only 38 home games.
- **Double-A baseball in Frisco, Texas.** Each season, we routinely sold more group tickets than half of the Major League baseball teams.

When you adopt The Sellout Mentality, group sales will be vital to help sell out some of your targeted games. These sellouts will help you sell far more ticket packages to your big games the following season, helping you expand your number of sold-out games.

So, group sales is not only a revenue source that can be maximized with proper focus, but can be one of your best marketing tools to sell out even more games next season.

## **A SIMPLE TEST YOU CAN TAKE**

1. *(Fill in the blanks.)* **What is the most important advantage that groups can bring you?** \_\_\_\_\_.
2. *(Fill in the blanks.)* **An unorthodox commission structure for salespeople on group sales is:**
  - a. \_\_\_\_\_% commission for your targeted sellout games.
  - b. \_\_\_\_\_% commission for your other games.
3. *(True or False or Maybe.)* **Besides buying tickets in bunches, groups can be an excellent source for names of potential mini-plan buyers.**  
True\_\_\_\_\_ False\_\_\_\_\_ Maybe\_\_\_\_\_.

## ANSWERS

1. I know this could cause a pretty good debate, but if you work groups properly, you can not only sell a lot of tickets, but *groups can help you sell out the arena*. That is the most important advantage to groups—they can hand deliver some targeted sellout games for you.
2. 12% commission for your targeted games. 8% commission for your non-targeted games. This also could cause some pretty good debates. But, the best way to get your salespeople to focus on your corporate goal of sellouts is to let them feel that corporate goal in their wallet. You'd be amazed how much they embrace the corporate goal of sellouts then.
3. Maybe. A couple of teams that had heard me speak at a conference tried to entice groups for ticket packages. They experienced failure. One of the problems was that they tried to sell individuals in the group too large of a package. In one case, they tried to sell the people *full* season tickets.

It is necessary to present individuals in a group a small package. Don't get greedy and think that because they attended one game, that all of a sudden they are great prospects for *full* season tickets. They aren't. *Nudge* them to buy a 3-game package on their own. Test your list and see what happens. If the response is decent, push your test to a larger scope.