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Ticket Sales Outsourcing Performance Measures Using Balanced Scorecard and Analytic Hierarchy Process Combined Model

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Abstract

Outsourcing ticket sales operations to the service provider is becoming popular in intercollegiate sport in the US. While much has been reported about ticket sales outsourcing, there is a major lack of understanding in the literature as to how the service provider's performance is measured by the athletic department. To fill important gaps in the sport marketing literature, this study employed the Balanced Scorecard (BSC) and Analytic Hierarchy Process (AHP) combined model using one NCAA Division I athletic department to understand performance measure metrics. The result of the AHP showed that Financial (W_F = 0.487) is the most important performance measure within the domain level, followed by Customer (W_C = 0.343), Business Process (W_B = 0.091), and Learning & Growth (W_L = 0.078). Global weights indicated that Cost-Saving (W_{FC} = 0.223) is the most important factor, which implies that cost-driven outsourcing is a primary motivation for ticket sales outsourcing. Theoretical and practical implications of the analyses are also provided.

Keywords: outsourcing, performance measures, ticket sales, balanced scorecard, intercollegiate sport

Introduction

Ticket sales have long been considered one of the major sources of revenue for many sport organizations. Consequently, many sports organizations are seeking a profit-driven model for their ticket sales operations (Bouchet, Ballouli, & Bennett, 2011; Fulk, 2012). Traditionally, professional sport teams have been very active to employ the profit-driven ticket sales model such as using an outbound ticket sales model (Bouchet et al., 2011) or customer relationship management (CRM) software (Popp, 2014).

However, in intercollegiate athletics outsourcing ticket sales operations to third parties is becoming an increasingly popular business decision (Smith, 2012, 2013). For instance, IMG-Learfield, one of the leading service providers in collegiate ticket sales, has outsourcing contracts with more than 30 different athletic departments and several conferences. According to the IMG-Learfield website, it sold $11.4 million in college football group tickets in 2015, and sold 60,000 new college football season tickets for $15 million in 2015 (IMG-Learfield, 2016). It is safe to assume that ticket sales outsourcing would be expected to continuously grow. Despite the increasing use of ticket sales outsourcing by athletic departments, a real dearth of study currently exists in the sport marketing literature. This is especially true with studies regarding how the performance of ticket sales service providers is evaluated by the athletic department. In fact, based on the perfor-

mance measures by the athletic department, ticket sales outsourcing contracts could be either renewed (e.g., University of Tennessee) or in a few cases terminated (e.g., University of Louisiana-Monroe), yet virtually nothing is known about the details of these performance measures. Importantly, it has to be noted that outsourcing performance as measured only by tickets sold does not provide a big picture of how the service provider performs, because outsourcing performance measures are dependent upon many different considerations such as motivation of outsourcing, types of industry/organization, and many other financial/non-financial factors used for evaluation (Grover, Cheon, & Teng, 1996; Handley & Benton, 2009; Kim & Chung, 2003).

Accordingly, this case study examines how a third-party ticket sales service provider's performance is measured. Specifically, the major purpose of this study is, first, to identify factors used for ticket sales outsourcing performance measures. Secondly, this study empirically tests which identified factors are perceived most important by those who evaluate service providers' performance. For the purpose of this study, the Balanced Scorecard (BSC) and Analytic Hierarchy Process (AHP) combined model were used as performance measures.

The significance of this study in terms of academic originality and contribution to the body of literature can be addressed in many different ways. First, performance measurement is a critical component for any organization, including non-for profit organizations such as college athletic departments, to verify effectiveness of business initiatives or plans (Chow, Ganulin, Haddad, & Williamson, 1998). Nevertheless, there is nothing reported in terms of how ticket sales service providers' performance was measured in previous sport marketing literature. Secondly, outsourcing does not guarantee success at all times because there are always inherent risks associated with outsourcing (Aron, Clemons, & Reddi, 2005); thus, performance measures should not be overlooked.

Intercollegiate sport being unique as a product and outsourcing performance depending on many other factors, a wide range of factors should be closely considered to understand the service provider's performance. Again, while it may be easy to view overall ticket sales made by the service provider as the only indicator of performance, in fact, outsourcing performance should be more comprehensively assessed, as there are many other circumstantial factors influencing outsourcing decision making (Burden & Li, 2005; Lee, 2016; Lee & Walsh, 2011) and considerations affecting success/failure of outsourcing in sport (Bouchet, 2010; Lee, Oh, & Juravich, 2016; Lee & Pinheiro, 2014; Walker, Satore, & Taylor, 2009). Additionally, this case study provides performance measurement guidelines to other athletic departments that are outsourcing or planning to outsource their ticket sales operations. This is particularly important because previous research has shown that approximately 70% of organizations were not successful with performance measures (McCunn, 1998). Consequently, providing benchmark data is important for practitioners.

Literature Review

Ticket Sales Outsourcing

Outsourcing is a strategic business decision when an organization transfers one of its operations, which used to be handled in-house, to an external third party (Busi, 2008), and it has become one of the most prevalent business decisions in any industry. Recently, intercollegiate sport in the US is also actively adopting an outsourcing strategy to boost its ticket sales operations (Smith, 2012, 2013). McEvoy and Popp (2012) argued that given most athletic departments are so understaffed, the number of full-time staff specifically committed to ticket sales is usually very low. Naturally, outsourcing has become a legitimate option for many athletic departments. Also, outsourcing ticket sales has been proven to be very attractive in that many athletic departments experienced ticket sales increases ranging from 5.9% to 39.4% after hiring a service provider (Popp, 2014).

Outsourcing Performance Measures

Outsourcing performance measures have been studied quite often in general outsourcing literature. Previous literature in outsourcing does not show a consensus on how to measure outsourcing performance, as there is no agreement on how performance should be measured (Kim & Chung, 2003). Specifically, as outsourcing success can be defined in many different ways depending on industry, it is challenging to develop one set of outsourcing performance measures. For instance, Grover et al. (1996) defined outsourcing success as overall benefits, such as strategic, economic, and technological benefits, that the organization obtained after an outsourcing decision. Hsu and Wu (2006) developed six constructs for Information System (IS) outsourcing performance measures, which they argued that these six constructs could influence overall outsourcing performance. These include characteristics of an IS department (e.g., growth of and number of employees of the IS department), characteristics of the IS (e.g., extent of outsourcing and a frequency of performance evaluation), characteristics of the contractor (e.g., experience of contractor, interaction/communication with the client), degree of participation by project members (e.g., characteristics of the senior

manager/evaluator/manager), characteristics of the company (e.g., industry classification and number of employees), and characteristics of the evaluator (e.g., level of education, background of education, department, and seniority). Recently, Handley and Benton (2009) found outsourcing performance measures could be influenced by strategic evaluation and relationship management. The former refers to, for instance, the extent to which the client did a comprehensive evaluation of the business provided by the service provider. The latter indicates the relationship management practice that considers the service provider's relationships with the client to see if collaboration and cooperation exists. However, researchers agree outsourcing performance measures are a complex process that involve considering various internal/external and financial/non-financial factors. Therefore, this study examines both financial and non-financial performance measures (NFPM) so that it can produce a comprehensive measurement metric.

Performance Measures

Performance measures are an important indicator to increase profitability and competitiveness for the organization, as it helps the organization develop the long-term strategies and allocate the resources in an appropriate way (Tangen, 2003). Traditionally, the organizations have heavily relied on financial performance measures, such as return on investment (ROI), market share, revenue, cash flow, or net profit, to assess organizational performance. However, question and criticism about the overuse and overreliance of financial performance measures has been raised. It is believed that financial performance measures might not truly reflect overall organizational performance and may even provide misleading information because financial performance measures may not capture and reflect intangible assets properly, such as customer loyalty, employee satisfaction, or organizational innovation (Ahmad & Zabri, 2016; Hansen, 2011; Kaplan & Norton, 1992; Zuriekat, Salameh, & Alrawashdeh, 2011).

Especially for not-for profit organizations, financial performance may rarely be an overriding goal, unlike profit-seeking organizations that may focus more on financial perspectives in nature. Kaplan (2001) specifically discussed why and how NFPM could be useful for non-profit organizations. Kaplan (2001) claimed that NFPM could bridge the gap between operational measures and mission/strategy of the organization, changing the focus from the initiatives to results of the performance, and enhance overall performance measures by combining the organization's initiatives and individual/department-level work with the system that appropriately allows improving the performance measures.

Consequently, attention to NFPM has been researched in many different disciplines, as the use of NFPM has increased across many different industries. Kalagnanam and Krueger (1999) examined the use of NFPM in the electronic industry and identified a wide range of NFPM, including quality, delivery, manufacturing cycle time, inventory, labor, marketing/sales/orders, human resource, safety, supplier, customer satisfaction/service, maintenance, design/engineering, etc. Hussain and Hoque (2002) investigated the financial services industry and found customer satisfaction, quality service, social well-being, and commitment to customers were used for NFPM. Additionally, previous research shows that the use of NFPM has been proven to be an effective vehicle for performance measures (Banker, Potter, & Srinivasan, 2005; Cumby & Conrod, 2001; Fullerton & Wempe, 2009), and is important in that it would allow a long-term perspective and complement financial performances measures (Baker et al., 2005). Also, the use of NFPM may make the organization innovative and even increase revenue and profit (Banker, Potter, & Srinivasan, 2000), and help the manager monitor the organization's progress (Kaplan & Norton, 1992, 1994, 1996). Specifically, Banker et al. (2000) found that if NFPM is included in the compensation contract, it may generate overall performance improvements. Similarly, Baker et al. (2005) examined management-incentive programs in a hotel chain industry and found that organizations that employ both financial performance measures and NFPM have significantly higher mean levels of assets and higher levels of market returns. Customer satisfaction as one of NFPM has been identified quite often by previous research noting that it is important, as it is closely related to future financial performance (Baker et al., 2005; Behin & Riley, 1999). Previous research has also shown that organizations employing both financial performance measures and NFPM have significantly higher mean levels of assets and higher levels of market returns (Said, HassabElnaby, & Wier, 2003). Therefore, previous research illustrates that it is ideal to use the combination of both financial performance measures and NFPM.

Balanced Scorecard

Balanced Scorecard (BSC) is a performance measurement metric that can supplement conventional financial measures with NFPM. It has been widely used for better strategic management for the organization and competitive advantages in the marketplace (Kaplan & Norton, 1992, 1994, 1996). Specifically, BSC allows the manger to consider four different but important perspectives (financial perspectives, customer perspectives, internal business perspectives, and learning & growth) to thoroughly examine the business (Kaplan & Norton,

1992, 1994, 1996). Financial perspectives are designed to answer, "How do we look to shareholders?" and their measures typically include revenue/profits, ROI, fiscal outlook, profit margin, and other similar measures. These perspectives help researchers and businesses create measurable economic results (Wu, Lin, & Tsai, 2011). A customer perspective is important because the customer is such an important stakeholder for any organization across the industry. Customer perspectives are designed to answer the question, "How do customers see us?" and generally consider such variables as customer satisfaction, customer retention, new customer acquisition, market position, and market share (Kaplan & Norton, 1992, 1994, 1996). Business process perspectives are designed to answer the question, "What must we excel at?" and their measures typically include quality, response time, delivery, cost, and so forth (Kaplan & Norton, 1992, 1994, 1996). Lastly, learning & growth perspectives are designed to answer the question, "Can we continue to improve and create value?" and their measures generally include employee satisfaction, culture, and trust (Kaplan & Norton, 1992, 1994, 1996). These perspectives are the most important for the organizations in that they address the future needs of the organization (Wu et al., 2011).

One of the advantages of BSC is that by focusing on only a handful of manageable measures, mangers can better focus on core areas for the organization (Kaplan & Norton, 1992, 1994, 1996). BSC has been proven to be a popular and effective tool for performance measures in many different academic fields (Davis & Albright, 2004; Hoque & James, 2000; Josey & Kim, 2008). BSC also has been used for outsourcing research, and it was again proven to be an effective tool for strategic outsourcing decision development, execution, and performance measurement (Namazifard, Makui, & Barzinpour, 2011; Tjader, May, Shang, Vargas, & Gao, 2014; Weimer & Seuring, 2009). For instance, Weimer and Seuring (2009) investigated four outsourcing projects and measured performance of the service provider using the BSC, and argued that BSC is a suitable performance measurement for outsourcing projects.

Therefore, the main purposes of this case study is, first, to identify important factors used for ticket sales outsourcing performance measures by the athletic department. Second, this study also empirically tests which identified factors are perceived important by the senior managers from the athletic department. The importance of performance measures is vital for any organization, and so far BSC as a performance measure has been consistently proven to be effective in many outsourcing studies. In spite of a growing trend of ticket sales outsourcing in intercollegiate sports, very little is known about how the service provider's performance is measured in literature. Using the BSC and AHP combined model, this study will contribute to the body of sport marketing literature by providing a scientific approach to better understand performance measures.

Method

Case Description

The athletic department used for this case study is a member of a large NCAA Division I athletic department. This athletic department was selected because it has been outsourcing its ticket sales operation for several sports (e.g., football, men's basketball, women's basketball, men's soccer, women's soccer, and volleyball) since 2011, so it is believed that their experience with ticket sales outsourcing could provide more perspectives on outsourcing performance measures. To address the purpose of this study using BSC and AHP, two separate stages were developed to construct the appropriate BSC and AHP combined model.

Stage 1

The first stage is the informational interview stage, and this stage was created to verify the use of performance measure, and then to identify a set of factors used for performance measures by the athletic department. Senior managers (e.g., athletic director and associate athletic directors) in external relations from the athletic department of this case study were recruited (Staurowsky & Abney, 2006) because they are highly involved in ticket sales outsourcing operation, ticket sales decisions, and/or performance evaluation (Lee et al., 2016; Lee & Walsh, 2011). Six senior managers agreed to participate in the informal interview, which represented approximately 80% of all the senior managers from the athletic department. The informal interviews, which took about 30 minutes with each senior manager, were mainly comprised of two question areas: use of performance measures and types of performance measures.

All senior managers indicated that they use both financial and non-financial performance measures (see Table 1) to monitor the service provider's performance. Some indicated that "their (the service provider) performance measure was a continuous process;" yet it did not clearly provide answers as to how it was measured, which implied that there was no systemic measure in place for years (personal communication, September 2015). For instance, one interview indicated that they measure fan satisfaction toward the ticket sales staff and ticket sales process using a simple qualitative approach, but it does not appear to be formal and scientific enough to yield significant, reliable, valid, and meaningful data that can assist the athletic department in truly understanding performance of the service pro-

Table 1
Importance of Performance Measure Using 7-Point Likert Scale

Performance Measures	Mean	Std. Dev
NFPM	6.58	0.64
Financial Performance Measures	6.13	1.39

vider. Another interview addressed the need of a set of appropriate factors to measure the performance, noting that "we definitely did not rely on our gut feelings, but it can be a very subjective [process to measure] because everybody has different things [factors] to look at" (personal communication, September 2015).

The senior managers were then asked to identify performance measures they may use to evaluate outsourcing effectiveness. They mentioned that they use both financial performance (e.g., ticket sales revenue, profit, new sales, etc.) measures and NFPM (e.g., relationship with the athletic department, customer satisfaction, quality, etc.).

Several senior managers indicated that the use of BSC could be beneficial because, as one senior manager said, "Multimedia rights can be outsourced now so outsourcing is a really serious business if you think about it. [Athletic departments] need to understand something like this (BSC) and see how it can help us" (personal communication, September 2015). Therefore, the interviews found that there was a need for performance measures, and BSC could be good if the concept was well applied to the athletic department. These findings provide the initial justification of this study.

Since these measures identified by the senior managers are the list of performance measures from practitioners' viewpoints only, the researchers also conducted a literature review in the areas of outsourcing, sales, marketing, finance, and accounting to balance practice and academia. After informal interviews and the literature review, an expert panel review was conducted. The expert panel review was employed for face validity and predictive validity to make sure the factors that will be used for the AHP model and questionnaire are reliable and valid. A host of previous AHP studies used expert panel reviews to construct and develop validity (Schmidt, Aumann, Hollander, Damm, & von der Schulenburg, 2015), and previous AHP research in sport management (Lee & Ross, 2014; Lee & Walsh, 2011; Leung, Muraoka, Nakamoto, & Pooley, 1998; Yu, Su, & Zhuang, 2008) also used expert panel reviews for the same purpose. Two senior managers out of the original six senior managers were asked if the names were appropriately representative of the meaning of the performance measures. Also, they were asked if there should be any other performance measures that were missing, or if there should be any performance measures that do not have to be included in the final set.

During the process of finalizing a set of performance measures, a few changes were made to the final measures. Conflict of Interest, which indicates the power struggles between the athletic department and service provider, was eliminated, as it can be misleading to understand. Originally, Annual Revenue/Profit was one single factor but it was recommended that it should be separated because these are two different performance measures used by the athletic department. Through the informal interviews, literature review, and expert panel reviews, this study identified a final set of 11 performance measures: annual revenue, revenue growth strategies, profitability, cost saving, internal relationships, external relationships, customer satisfaction, customer retention/acquisition, service quality, switching cost, and in-house option. Table 2 shows a final set of performance measures grouped into the BSC framework (Financial, Customer, Business Process, and Learning & Growth).

Stage 2

The agreed upon 11 factors were used for a hierarchy model construction and survey development (Saaty, 1980, 2008). For AHP survey participation, only a group of experts knowledgeable about ticket sales outsourcing were used as survey participants for AHP, because it is advised that only those who have specific knowledge with decision-making experience or skill in the topic of study should be recruited with a small sample size for AHP studies (Grewal, Sareen, & Gil, 2008; Masozera, Alavalapati, Jacobson, & Shrestha, 2006). Consistently, previous AHP studies in sport marketing have also used a small sample size with only those who have decision-making power (Kangas, 1994; Lee & Ross, 2012; Lee & Walsh, 2011; Sinuany-Stern, Israeli, & Bar-Eli, 2006). The first author emailed all senior managers and requested their participation in the study. A total of eight senior managers in external relations, including the original six who participated in Stage 1, agreed to participate in Stage 2. Importantly, although eight senior managers seem to be an extremely small sample size, it is not an unusually small sample size for this type of study in that, first, this sample size does not violate the AHP sampling method. Second,

some athletic departments are highly centralized in decision making and its process with a small number of senior managers making key decisions (Cunningham & Rivera, 2001; Staurowsky & Abney, 2006), and this study successfully recruited actual decision makers and performance evaluators. Previous studies about sport marketing outsourcing decision making and performance have also used small sample sizes (Lee et al., 2016; Lee & Walsh, 2011; Walker et al., 2009). Similarly, Bouchet et al. (2011) also addressed the centralized decision making regarding ticket sales within the athletic department. In other words, the small sample size can be justified and is consistent with similar studies.

During the survey, each senior manager was asked to evaluate the relative importance of each identified performance measure through a series of pair-wise comparisons using a 1–9 scale (Saaty, 1980, 1982, 2008), and a total of $n\cdot(n-1)/2$ comparisons is needed when there are n factors. In matrix, comparisons are depicted by the following expression:

$$A = (a_{ij}) = \begin{bmatrix} a_{11} & a_{12} & \cdots & a_{1n} \\ a_{21} & a_{22} & \cdots & a_{2n} \\ \vdots & \vdots & \ddots & \vdots \\ a_{n1} & a_{n2} & \cdots & a_{nn} \end{bmatrix}$$

Where a_{ij} is the relative importance for i to j, = 1/ a_{ij} and when $i = j$, $a_{ij} = 1$. The value of relative importance varies from 1 to 9 where 1/1 refers to equal importance between two factors and 9/1 indicates extreme importance.

Results

To answer the first purpose of this study, a total of 11 performance measures were identified. Additionally, given the reporting performance measures are related to overall performance of the organization (Banker, Potter, & Schroeder, 1993), Table 2 shows how often these performance measures are reported to the senior managers. Next, to investigate the second purpose of the research, the importance of factors identified were presented as measured by the relative weights of each performance measure using AHP. After coding all the responses of a series of pair-wise comparisons, their answers were analyzed by the Expert Choice, a decision science software program. Prior to AHP analysis, consistency ratio (CR), which is an indicator of a logical and consistent series of pairwise comparison (i.e., A>B, B>C, then, A>C), was calculated to ensure the validity and reliability of the responses of the survey participants and to eliminate inconsistent decision making. Mathematically, Matrix A is consistent when the following is satisfied: $a_{jk} = a_{ik}/a_{ij}$, I, j, k = 1, 2 … n. CR <0.2 was used for data analysis (Saaty, 1980, 1982). All responses satisfy CR <0.2 threshold.

To examine the local weights, a series of pairwise comparisons within the BSC level was first conducted. It revealed that Financial (= 0.487) was the most influential domain, followed by Customer (= 0.343), Business Process (= 0.091), and Leaning & Growth (= 0.078). Weights comparisons show Financial was about 1.4 times, 5.3 times, and 6.2 times more important than Customer (= 1.419), Business Process (= 5.351), and Leaning & Growth (= 6.243), respectively. This demonstrated that financial success was a very important indicator for the athletic department when it comes to service provider performance measures.

Under each domain, the relative weights for each performance measure and its ranking are presented in Table 3. As for Financial domain, Cost-Saving (= 0.458) was the most important performance measure

Table 2
Ticket Sales Outsourcing Performance Measures and Indicators

BSC Perspectives Domains	Local Domains	Performance Indicator	Regular/ Constantly Reporting (R/C)
Financial (*F*)	Annual Revenue (F_r)	% Change in Revenue	R/C
	Revenue Growth Strategies (F_g)	Sales Growth Plans	R/C
	Profitability (F_p)	Effectiveness of Return on Investment	C
	Cost Savings (F_c)	Cost of Sales Reductions	R/C
Learning & Growth (*L*)	Internal Relationships (L_i)	Informal Conversation	C
	External Relationships (L_e)	Informal Conversation	C
Customer (*C*)	Customer Satisfaction (C_s)	Survey/ Interview	C
	Customer Retention/ Acquisition (C_a)	Retention Rate/ Number of New Customers	C
Business Process (*B*)	Service Qualtiy (B_q)	Number of Complaints/ Disputes	R/C
	Switching Cost (B_c)	Competitive Comparison	C
	In-House Option (B_i)	Informal Conversation	C

Table 3
Relative Weights of BSC Domains

Domains	Domain weights (*DW*)	Rank	Weights Comparison	CR
Financial (W_F)	W_F= 0.487	1		
Learning & Growth (W_L)	W_L= 0.078	4	W_L/W_F= 6.243	
Customer (W_C)	W_C= 0.343	2	W_C/W_F= 1.419	CR<0.2
Business Process (W_B)	W_B= 0.091	3	W_B/W_F=5.351	

Table 4
Relative Weights of All Performance Measures

Domain Weights (*DW*)	Domain Local Weights (*LW*)	*L W* Rank	Global Weights (*GW*) (*GW=DW*LW*)	*GW* Rank	CR
Financial	W_{Fr}= 0.232	2	$W_F{}^*W_{Fr}$= 0.113	4	
W_F= 0.487	W_{Fg}= 0.211	3	$W_F{}^*W_{Fg}$ = 0.103	5	
	W_{Fp}= 0.098	4	$W_F{}^*W_{Fp}$= 0.048	8	CR<0.2
	W_F=0.458	1	$W_F{}^*W_{FC}$= 0.223	1	
Learning & Growth	WL_i=0.7	1	WL^*WL_i = 0.054	6	CR<0.2
WL= 0.078	WL_e=0.3	2	WL^*WL_e = 0.023	9	
Customer	W_{Cs}=0.5	1	$W_C{}^*W_{Cs}$ = 0.171	2	
W_C= 0.343	W_{Ca}=0.5	1	$W_C{}^*W_{Ca}$ = 0.171	2	CR<0.2
Business Process	W_{Bq}= 0.582	1	$W_B{}^*W_{Bq}$ = 0.053	7	
W_B= 0.091	W_{Bc}= 0.216	2	$W_B{}^*W_{BC}$ = 0.019	10	CR<0.2
	W_{Bi}= 0.016	3	$W_B{}^*W_{Bi}$ = 0.018	11	

for senior managers. Previous research demonstrated that sport marketing outsourcing was employed to minimize costs for the athletic department (Burden & Li, 2003; Lee & Pinheiro, 2014; Lee & Walsh, 2011), and this study also supports outsourcing as a vehicle of cost and production reduction. Annual Revenue (= 0.232) was the second most important performance measure, which implies that for the senior managers, cost and production reduction is important while revenue generation and/or maximization is simultaneously important. In many cases, outsourcing motives are the combination of cost minimization and revenue increase, so this result is not inconsistent from previous research. Profitability = 0.098) was the least important factor under the Financial domain. Arguably, the athletic department operates under the amateur sport model, so pursuit of profit maximization seems to not be highly prioritized in this case study.

As to the Learning & Growth domain, Internal Relationships (= 0.7) were more important than External Relationships (= 0.3). The relationships between the employees from the athletic department and the outsourcing service provider were perceived to be more important than the relationships between the employees from the service provider and other stakeholders such as donors and sponsors. Previous studies about sport marketing outsourcing have also identified relationship issues (Bouchet, 2010; Burden & Li, 2005; Lee et al., 2016; Lee & Walsh, 2011; Walker et al., 2009), and senior managers from this athletic department seem to be aware of the importance of the relationship issue. The senior managers understand the importance of working together with the service provider to achieve agreed-upon goals (ticket operations), although they are two separate independent organizations.

Table 4 shows the global weights (GW) and their ranking. Cost-Saving (= 0.223) was the most important performance measure out of all 11 factors for performance measures, and it shows the performance measure was employed based on a cost-driven outsourcing perspective. In other words, this demonstrated the degree of cost reduction achieved through outsourcing was the most important performance measure for the senior managers. Customer Satisfaction and Customer

Retention/Acquisition were tied as the second most important global performance measure = 0.171; = 0.171). In-House was the least important factor (= 0.018) and Switching Cost (= 0.019) was the second least important performance measure in the global ranking. Switching Cost indicates the unexpected cost incurred due to changes/update of contract or changes of the service provider (Wahrenburg, Hackethal, Friedrich, & Gellrich, 2006). While these two factors may not be the most influential factors for the senior managers, it was clear that the senior managers still considered other business options, whether it was bringing the ticket sales operation back in-house or switching to another service provider.

Discussion

Some of the results are worthwhile of further discussion and are discussed in more detail in this section. This study showed success in cost saving for ticket sales operations was the most important performance measure by the senior managers. Given the recent recession and budget cuts facing many athletic departments across the country, this result was not surprising. Also, it was safe to believe that many athletic departments will continue to look for outsourcing options that could bring down cost reduction for their ticket sales operations, and they will measure their service provider's performance based on cost reduction should they hire the service provider. Additionally, cost reduction was rather important for major college athletic departments because while many are not profitable, they often strive to break even to minimize subsidies from the academic units of universities, which may put an undue burden on students through increased tuition costs.

Switching Cost (= 0.019) and In-House Option= 0.018) were the two least important factors in the global ranking. Interestingly, Switching Cost and In-House Option are the only uncontrollable factors for the service provider. This may infer that the senior managers are constantly looking for other options for cost minimization through either Switching Cost or In-House Option. Revenue Growth Strategies (= 0.103) is the fifth most important factor in the global ranking. Revenue Growth Strategies show that the senior managers consider not only the service provider's current performance but also their future ticket sales strategies. It was assumed that the reason for considering future strategies was not biased by the current team's performance on the field. For example, if the team the service provider was selling was presently suffering from a bad season, realistically, it would be challenging to sell the team's tickets. On the contrary, if the team's performance was great, selling might be relatively easy. By considering Revenue Growth Strategy, the senior managers were considering future ticket sales strategies as well, which was also beneficial in the long run because this consideration helps build long-term strategies for both parties. Compared to other outsourcing research areas like IT outsourcing, this factor was probably the most unique, in that it reflects the uniqueness of sport marketing.

Theoretical Implications

A major contribution of this study to existing sport marketing literature lies in providing a fundamental base for understanding the BSC's value in a strategic management system. The current study extends the line of research on outsourcing, focusing on a ticket sales service provider's performance in intercollegiate sport settings. In particular, this study combined the BSC with AHP to evaluate both financial performance measures and NFPM of the service provider. The combined model provides insight into how an NCAA Division I athletic department utilizes performance measure metrics for external service providers. The finding that the financial perspective was an important determinant in ticket sales outsourcing performance measures serves as benchmark data, and it will further spark future research in this growing area of sport marketing.

Another contribution of this study is the extension of the original BSC and its application to sport marketing. BSC perspectives and performance measures under each BSC perspective are utilized to evaluate an external ticket sales provider's performance. The appropriateness of the four perspectives and their measurement model were presented with the analysis of data collected in the current study. The adoption of this model enables us to examine more detailed financial measures as well as NFPM for this case study. More importantly, this study takes a step toward advancing the body of literature on outsourcing by applying the concept of BSC in intercollegiate sport settings.

Specifically, 11 performance measures used in this study may provide some important theoretical implications. There are several outsourcing-specific performance measures (e.g., switching cost and in-house option) out of original 11 performance measures, and it proves that BSC certainly could be applied to outsourcing research, which supports previous outsourcing studies that used BSC (Weimer & Seuring, 2009).

It is challenging to conclude that the results of this study are consistent with previous studies in terms of the use of BSC, as each organization presents different types of performance measures. However, it is clear that unlike previous studies that investigated not-for-profit organizations, it is surprising that Financial is the most important perspective for this athletic department because the athletic department operates within the framework of a not-for-profit organization.

So unlike the previous notion of not-for profit organizations focusing more on NFPMs, this study does not fully support previous findings. Also, previous research noted that for not-for profit organizations, performance measures are challenging because quantitative financial measures rarely are the focus or goals (Forbes, 1998), and, more importantly, not-for profit organizations sometimes have difficulty in defining their organizational strategies (Abdallah & Alnamri, 2015; Kaplan, 2001). Despite the challenges and difficulty, studies have shown that not-for profit organization could benefit from the use of BSC (Chan, 2004; Josey & Kim, 2008). Given that the athletic department is a not-for profit organization, this study supports the value of BSC for not-for profit organizations.

Practical Implications

Performance measures are vital for the athletic department because the athletic department could not and should not assume outsourcing will be effective, because there are always inherent risks associated with outsourcing (Aron et al., 2005; McCarthy & Anagnostou, 2004) and the "honeymoon period" will not last forever (Lacity & Hirschheim, 1993). Hence, the quality of the work provided by the service provider should be monitored and managed constantly; that way, the athletic department has outsourcing failure prevention measures in place and does not pay more than the service provider's real market value.

This study used BSC as a foundation of performance measures by combining with AHP. BSC can be effectively used as a performance measurement tool for ticket sales outsourcing in sports by integrating a set of performance measures necessary for scientific performance measure. The application of BSC can provide guidance in terms of how to develop a framework for many athletic departments that are currently using outsourcing or considering outsourcing in the near future. The informal interviews related to this study indicated there are informal quality tracking systems in place to monitor a service provider's performance; however, better performance metrics based on well-researched results that can be used universally are necessary for outsourcing failure prevention. Therefore, the results of this study can serve as good benchmarking data for other athletic departments and provide ideas of what to consider for performance measures.

These results also provide helpful practical insights to service providers, as they are continuously seeking future ventures in intercollegiate athletics. Service providers can also better understand the performance metrics that their potential clients may use to measure their effectiveness.

Limitations and Future Research

This study examined only one athletic department, so another investigation of additional athletic departments will be worthwhile to broaden understanding about outsourcing performance measures. Methodologically, Schmidt et al. (2015) argued the small sample size is not considered as a limitation of AHP studies; however, it is still recommend to use different data sets for verification and generalization of the results. Other athletic departments that have different sizes or budgets may yield different relative weights for AHP analysis. Also, the set of performance measures used in this case study may be different from the performance measures that the service provider might use to measure its own performance. Such investigation will allow a bigger picture of outsourcing performance measures.

Hsu and Wu's (2006) study argued that the competency of the outsourcing evaluator could significantly influence outsourcing performance measures. This study does not investigate in-depth the characteristics of each senior manager. Future research may want to examine if there is any difference among the senior managers, as each senior manager may have a different educational background, years of experience, experience with (ticket sales) outsourcing, and preference of either outsourcing or in-housing.

Conclusion

In literature, there is still a general lack of understanding about how a service provider's performance is measured. Whereas outsourcing research in other academic fields has shown continuous efforts to develop appropriate outsourcing performance measures metrics, no such endeavor has been made in the sport marketing field. Given the paucity of literature and, importantly, the uniqueness of the industry, this study was designed to provide an initial inquiry into an area that has to date received very little or no academic attention in literature. This study is the first known study to scientifically and empirically examine a ticket sales service provider's performance. This study is also significant in that it provided both theoretical and practical implications that will hopefully serve as the basis for an emerging area of sport marketing research.

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