



Northern Indiana State College Football Case

July 2011

UNDERAGE DRINKING OR JUST A STADIUM THAT IS TOO SMALL?

THE SITUATION

Located in a picturesque town along the Elkhart River in northern Indiana, the Fighting River Runners joined an NCAA Division I Football Conference. Attendance at football games has been strong, but has had fluctuations. At some of the key rivalry and Homecoming games, each game was sold out, but at other games, there were many empty seats. In order to improve the image of the college during less attended football games, the University started to give away extra tickets on the day of the game, so that the stadium was full during televised games. Crowds of teenagers and other fans started gathering early in the morning and some were camping out the night before to get the tickets.

Since joining the conference, other teams have complained about the small size of the stadium and the fact that fans can get very close to the players. Two years ago, a sophomore quarterback was angry at a fan's comments and climbed up into the crowd and got into a fight. The player was suspended and the team was nearly sanctioned for a season. The players have a reputation for getting into fights after games and due to the easy access from the field to the stands, there is often banter between visiting fans and the River Runners, which distracts the team and the coaching staff.

There are only two stands selling beer, and to reduce the long lines, they have stopped checking identification to make sure the purchasers are 21. It has reduced the complaints about long lines, but the administration is sure that underage drinking is getting out of control. The President has seen what appear to be many drunken teens at the games. Drinking at tailgates is common as well.

At the end of the last game of the season, angry fans ran out onto the field. A fight broke out and dozens of students and players were arrested. Reports of the fight were on the news stations and on web news. Underage drinking was identified as a cause, as well as the fact that many fans could not get into the game and were angry, so they stormed into the stadium at the end of the game to protest.

Attendance has increased each year for the games and there are an additional 75 acres of land owned by the University that could be used for expansion.

The athletic director is sure that a bigger stadium will allow for more beer booths and the ability to keep the fans away from the players and from gaining access to the field. Current capacity is 30,000 seats. The attached spreadsheet shows the number of ticket requests for each game.

Current ticket prices are \$45 per ticket. The college plans on raising ticket prices by \$5.00 per ticket for the next three years.

ANALYZE THE CASE BELOW AND DETERMINE THE FOLLOWING:

1. Use the Excel Modules and the forecasting tools. Perform a moving average, weighted moving average, multiplicative decomposition, exponential smoothing and linear trend analysis. Determine the optimal alpha for exponential smoothing and determine the ideal weights and number of periods to use for the moving average and weighted moving average. Determine the optimal number of seasons to use for multiplicative decomposition. Locate the MAPE for each tool and select the model with the lowest forecast error according to MAPE. Place these values in a table.
2. Should a new stadium be built? How many seats should be in a new stadium? (Assume it will take 3 years to complete and use prices and seat projections for 3 years in the future.)
3. Look up recent construction costs for college stadiums and determine the cost per seat. Multiply this cost times the number of seats that should be built for the new stadium. Cite the source you used as a reference on the construction.
4. Determine what the payback is for a new stadium based on the additional revenue from selling additional tickets. Is the number of years it will take to pay back reasonable? Why or why not?
5. What ethical issues are facing the President of the University?
6. How should each issue be addressed?

Northern Indiana State College Football Game Ticket Requests

Period	Number Requested	Year
Game 1	34200	2006
Game 2	39800	2006
Game 3	38200	2006
Game 4	26900	2006
Game 5	60000	2006
Game 6	36100	2007
Game 7	40200	2007
Game 8	39100	2007
Game 9	25300	2007
Game 10	68000	2007
Game 11	35900	2008
Game 12	46500	2008
Game 13	43100	2008
Game 14	27900	2008
Game 15	59200	2008
Game 16	42000	2009
Game 17	46100	2009
Game 18	43900	2009
Game 19	30100	2009
Game 20	58000	2009
Game 21	52500	2010
Game 22	50000	2010
Game 23	49000	2010
Game 24	43900	2010
Game 25	58800	2010
Game 26	50000	2011
Game 27	49000	2011
Game 28	50000	2011
Game 29	49000	2011
Game 30	68000	2011