



Assessing Fundraising Practices of Intercollegiate Athletic Departments: An Empirical Analysis of Tiered Reward Systems

Javonte U. Lipsey

University of North Carolina – Chapel Hill

Nels Popp

University of North Carolina – Chapel Hill

Jonathan A. Jensen

University of North Carolina – Chapel Hill

Patrick Gray

University North Carolina – Chapel Hill

Due to the implementation of the Tax Cuts and Jobs Act of 2017, rising expenses within the industry of intercollegiate athletics, and the financial impact of the Covid-19 pandemic, there is a growing need for practitioners to reexamine their fundraising practices in order to increase revenue. One fundraising strategy that is commonly utilized among intercollegiate athletic programs in the National Collegiate Athletic Association (NCAA) is the concept of tiered reward systems. Currently, there is no published research or empirical analysis that examines the structure and pricing strategies of these systems. For this reason, this study provides practitioners with valuable insight to the current economic landscape of tiered reward systems within NCAA Division I FBS programs. Institutional theory was utilized as a lens to examine tiered reward systems strategies across athletic departments. Methodologically, a multiple regression analysis was conducted to examine the relationships between market variables and tiered reward systems at 121 FBS institutions. Ultimately, this study revealed the number of tiered reward levels are not associated with the identified market variables. Further, total university enrollment, all-time NCAA men's basketball appearances, and all-time football bowl game appearances significantly predicted tiered reward level pricing.

Keywords: intercollegiate athletics, tiered reward systems, fundraising, multiple regression analysis, price

Historically, intercollegiate athletic departments have experienced a variety of challenges that make achieving financial solvency more difficult to attain. To start, expenses in the college sport industry have grown significantly over time, as the cost of becoming or remaining competitive has resulted in increased expenditures (Morales, 2016). Increased pressures to win have resulted in higher expenses related to coaches' salaries. Of note, the average salary of a NCAA DI FBS Head Coach skyrocketed from \$1.36M to \$2.67M—an 96.3% increase between 2009-2019 (Hummer, 2020). Now, NCAA D1 FBS head football and basketball coaches are the highest-paid employees on 80% of their respective state payrolls (Gibson, 2019). Ultimately, these increases in athletic department expenditures create challenges for athletic departments to financially sustain themselves.

In addition to increased expenses, athletic departments have also faced financial challenges due to reduced revenue opportunities. To start, there have been decreases in government funding for public college and universities over the past decade (Mitchell, Leachman & Masterson, 2017). In fact, the state average for spending dropped 16% (or \$1,448) per student between 2008 and 2017—leaving government spending far beneath historic levels (Mitchell et al., 2017). Consequently, this decrease in government funding has led institutions to have a growing expectation for “auxiliary” university units, including intercollegiate athletic departments, to become more self-sufficient (Kretovics, 2011). This pressure to become self-sufficient has led athletic departments to rely less on university assistance, and more on generating their own external revenue sources (Kretovics, 2011) such as multimedia rights/league distributions/bowl revenue (35.2%), donor contributions/endowments (22.7%), and ticket sales revenue (19.1%); combined, these sources account for about 77% of revenue's at NCAA DI FBS autonomy institutions (NCAA, 2020). While these external revenue sources exist, additional environmental factors have made attaining these revenue streams more difficult, which impacts the ability to be financial solvent. Of note, President Donald Trump signed the Tax Cut and Job Act (TCJA) in 2017, which eliminated tax-related benefits for season-ticket purchasers (Brown, 2020). Inevitably, this tax provision created additional challenges for athletic departments, as it removed the incentive for donors to give for tax-related benefits (Brown, 2020). The House Ways and Means committee projected that new tax policy would save the government over \$200 million annually (Murphy, 2017). While beneficial for the government, this policy has created great concern and uncertainty among fundraisers in the sport industry (Berkowitz, 2017). Out of concern, speculation arose as to the financial impact TCJA would have on intercollegiate athletic departments' ability to fundraise (Berkowitz, 2017; Smith 2017). According to Tom McMillen, President and CEO of Lead1Association—an organization that represents 130 FBS intercollegiate athletic departments—the tax provisions would cost the college sport industry hundreds of millions of dollars (Berkowitz, 2017). Confirming the concerns of some industry leaders, Brown (2020) conducted a study that revealed notable declines in season ticket purchases, and overall loss in donation revenue after the TCJA was enacted (Brown, 2020). The institution examined in the study saw a 49% decrease in donation revenue from 2017 (pre-TCJA) to 2019 (post-TCJA) (Brown, 2020).

In addition to the TJCA, another environmental factor causing financial strain on athletic departments is the impact of the covid-19 global pandemic (McCarthy, 2020; Swanson & Smith, 2020). As a direct result, the NCAA canceled the March Madness Tournament which drastically impacted the finances of athletic departments (Swanson & Smith, 2020). It was reported that the

cancellation of the event resulted in a loss of about \$375 million in direct payments to athletic departments (Indianapolis Business Journal, 2020). With a decline in broadcasting revenue and ticket revenue—which account for 35.2% and 19.1% of athletic department revenue for Division I FBS institutions, respectively—athletic departments are challenged with bolstering other forms of revenue (NCAA, 2020).

In effect, increased expenditures, changes in tax policy, and losses in external revenue streams opportunities have created significant challenges for athletic departments to become financially solvent. To offset these financial challenges, athletic departments have sought to bolster other revenue streams such as private donations, which account for about 22.7% of athletic department revenue at NCAA D1 FBS autonomy institutions (NCAA, 2020). Annual giving campaigns have been cited as an effective way to raise athletic funds (Wanless, Pierce, Martinez, Lawrence-Benedict & Kopka, 2017). For example, Baylor university exceeded their total annual giving goals by generating \$19 million in fiscal year 2017-2018 (Baylor, 2018). In addition, Clemson's athletic fundraising program, IPTAY, raised an all-time annual high of \$64.9M in 2018 (Clemson, 2018). On a similar trend, Florida Atlantic university's athletic department raised 275% more in annual funds from 2018 to 2019 (FAU Athletics, 2019). Given the success some universities have had with of annual giving campaigns, improving annual giving practices serves as one viable way to help offset current financial pressures within intercollegiate athletics.

One annual fundraising strategy common among Division I FBS athletic departments is the use of tiered reward systems. Despite the need to increase annual contribution revenue, published research or empirical analysis examining tiered reward systems is non-existent. Rather, the majority of fundraising literature is replete with knowledge pertaining to donor behavior, donor retention, and donor motivations (Gladden, Mahony & Apostolopoulou, 2005; Mahony, Gladden & Funk, 2003; Park, Ko, Kim, Sagas & Eddosary, 2016; Shapiro & Ridinger, 2011; Stinson & Howard, 2004; Stinson & Howard, 2010; Tsiotsou, 1998; Verner, Hecht & Fransler, 1998). Past publications in the sport industry have also researched the value of season tickets (Drayer, Shapiro & Lee, 2012), corporate sponsor naming rights (Popp, DeSchriver, McEvoy & Diehl, 2016), and sponsorship apparel deals (Jensen, Wakefield, Cobbs & Turner, 2016), but not tiered reward systems. Ultimately, research related to examining the strategy of tiered reward structures and prices can aid academics and practitioners in understanding how to improve fundraising strategies, which in turn can help offset the rising expenses in college athletics.

Purpose of Study

The aforementioned challenges that most athletic departments face have increased the need for practitioners and academics to acquire a more holistic understanding about effective fundraising strategies. Over the last decade, some athletic departments have failed to revise the pricing structure of these tiered reward systems despite market changes. For example, prior to the 2017-2018 academic year, Virginia Tech's athletic department had not adjusted their donation levels in twenty years (Bitter, 2016). Iowa State's athletic department had not changed its membership levels and prices in over 12 years (Iowa State Cyclone Club, 2008; Iowa State Cyclone Club, 2020). Similarly, the University of Maryland has not adjusted giving levels or prices in over seven years (Terrapin Athletics, 2013; Terrapin Athletics, 2020). Given this long span of years since adjusting tiered reward systems, it may serve athletic departments well to

implement pricing strategies using analytics and market variables. This will allow for them to establish more effective giving levels, rather than relying on traditional methods that have not been empirically tested and are not grounded in fundraising literature.

The current study is exploratory in nature and designed to help mend the gap in fundraising literature within the field of intercollegiate athletic by analyzing the current structure and prices of tiered reward systems. More specifically, an empirical analysis will be conducted to determine whether relationships exist between market factors as they relate to: (a) the number of tiered reward levels, (b) the mean prices of tiered reward levels, and (c) the total annual donation revenue received by athletic departments.

Specifically, this exploratory study will seek to answer the following research questions:

- RQ 1: What is the current structure of tiered reward systems at Division I FBS institutions? Specifically, what are the measures of central tendencies and variances for both the number of tiered reward levels, and their respective minimum price requirements?
- RQ 2: What explanatory variables predict the variance in the number of tiered reward levels at Division I FBS institutions?
- RQ 3: What explanatory variables predict the variance in the tiered reward minimum price requirements at Division I FBS institutions?
- RQ 4: Is there a relationship between the mean value for tiered reward minimum price requirements and total annual donation level revenue (when controlling for other key independent variables)?
- RQ 5: What is the relationship between the total number of tiered reward levels and athletic department's total annual donation level revenue (when controlling for other key independent variables)?

Literature Review

Institutional Theory

Institutional theory can be utilized as a framework in explaining why organizations or entities such as universities operate they do. Early works of institutional theory date back to Di Maggio and Powell's (1983), essay *The Iron Cage*. This classic article utilizes sociological theory to pose pertinent questions as to why organizations become so similar in the organizational constructs and strategies. Di Maggio and Powell (1983) argued bureaucratization and rationalization not only exist in the competitive marketplace, but also state and institutional entities. The authors illustrate when organizations exist in a field, they can grow increasingly similar in their strategies (Di Maggio & Powell, 1983). This process of homogenization is described as isomorphism. According to Hawley (1968), isomorphism is the process in which one unit or organization changes their process to look more like another unit or organization, as they seek to adapt to similar environmental circumstances. In seeking to describe this process of

change, isomorphism has been traditionally categorized into three main areas—mimetic, coercive, and normative (Mizruchi & Fein, 1999). Coercive isomorphism is derived from social or political influence, where organizations conform due to formal and informal pressures from entities that they have a level of dependence with (Mizruchi & Fein, 1999). Normative isomorphism refers to organizations that establish common practices within a particular profession or occupation. The concept of mimetic isomorphism refers to when organization models themselves after the processes or strategies of other organizations that are perceived to be beneficial (DiMaggio & Powell, 1983). According to Demers (2007), universities and colleges are frequently susceptible to mimetic isomorphism. In essence, it is a result of uncertainty or ambiguity over a particular process or strategy (Frumkin & Falaskiewicz, 2004). Because athletic departments exist within institutions, institutional theory is utilized as a framework to understand examine how athletic departments strategize their tiered reward systems, and whether isomorphism exist during this strategy process.

Donor Motivation

Over the past 30 years, scholars have extensively researched the art of fundraising in intercollegiate athletic programs (Park et al., 2016). Although knowledge in this area is still developing, many researchers have examined factors that influence donor motivations (Gladden et al., 2005; Stinson & Howard, 2004; Mahony et al., 2003; Park et al., 2016; Shapiro & Ridinger, 2011; Tsiotsou, 1998; Verner et al., 1998). Scholars have developed methods in order to accomplish this task. In 1985, the Athletics Contributions Questionnaire (ACQ) was created to identify potential donor motivations such as philanthropic, social, success, and tangible benefits (Billing, Hoh & Smith, 1985). To further extend the understanding about donor motivations, Staurowsky, Parkhouse and Sachs (1996) built the Athletics Contribution Questionnaire Revised Edition II (ACQUIRE II), which added two new motives: “curiosity” (derives from the donor’s interest in athletics and needs related with athletics) and “power” (donating in order to obtain influence within athletic department operations) (Gladden et al., 2005).

Moreover, research studies have identified that donors are primarily motivated to give for either altruistic or transactional reasons (Comstock 1989; Hammersmith 1985; Mann, 2007; Prince & File, 1994). Donors who give for the sole purpose of receiving tangible benefits are identified as transaction motivated. Donor motivations for this group might include tangible benefits such as such as priority seating and parking privileges (Isherwood, 1986). According to past researchers, the highest motivator among athletic donors was reported to be ticket-related benefits (Mahoney et al., 2003; Wells et al., 2005). In contrast to transactional motivations, donors who are motivated to give through receiving intangible factors, or for the primary benefit of recipients, are altruistically motivated (Popp, Barrett & Weight, 2016). Research has suggested that donors with altruistic motivations are influenced by factors such as special recognition (Isherwood, 1986), supporting the image of the state and university (Hammersmith, 1985), desire to support student-athlete’s academic achievement and athletic performances (Mahoney et al., 2003), and enhancing the quality and image of their respective athletic program (Comstock, 1988; Hammersmith, 1985).

Although literature pertaining to donor motivations has expanded over the last 40 years, researchers have not yet developed a comprehensive understanding as it relates to college athletics, as an empirically tested set of best donor relation practices has not yet been published (Wanless et al., 2017). However, philanthropic research outside of intercollegiate athletics has

assessed the effectiveness of fundraising practices as it relates to the development and evaluation of reward tiers (Chen, Thomas, & Kohli, 2016; Kaartemo, 2017). In all, a more comprehensive understanding of donor motivations combined with the implementation of empirically tested practices can aid athletic departments in assessing strategies behind tiered reward systems.

Tiered Reward Systems

Tiered reward systems are a common fundraising strategy in both the crowdfunding (Kaartemo, 2017) and hotel industry (Tanford, 2013). These systems present a desired set of privileges and benefits at each level in exchange for a person's donation or purchase (Tanford, 2013). There are no rules or regulations pertaining to the number of tiered reward levels an organization or business may have (Chen et al., 2016). However, in order to be effective, each tiered reward level is designed to improve the product or service's proposition value, while also adding value to the member (Dowling & Uncles, 1997; Shoemaker & Lewis, 1999). For this reason, the size of the reward typically corresponds with the level of donation—the greater the donation or purchase, the larger the reward (Chen et al., 2016). It is also suggested that reward levels consist of a range of services or products of varying qualities (Hu, Li & Shi, 2015; Tanford, 2013). In addition, tiered reward levels can lead to brand commitment among members, as it establishes a sense of identity within each tiered reward level (McCall & Voorhees, 2010).

Historically, intercollegiate athletic departments have offered rewards (i.e., the ability to purchase season tickets) to donors in order to incentivize them to make annual contributions (Coughlin & Erekson, 1985). Similar to tiered reward systems in the hotel and crowdfunding industry, the size of the reward typically corresponds with the level of donation—the larger the donation, the grander the donor's reward is. For example, the University of Wisconsin's athletic department rewards donors who give \$25,000 or more with a VIP reception with the Director of Athletics (The Annual Fund, 2018). Those who donate less than that amount do not receive that opportunity (The Annual Fund, 2018).

According to Harbaugh (1998), the majority of donors tend to give only the minimum contribution amount required to receive the rewards or benefits of a higher tiered reward level (Harbaugh, 1998). Similarly, researchers also found that some donors make contributions slightly above the minimum reward for each respective tiered reward level (McCall & Voorhees, 2010). On the other hand, researchers also discovered that there were no contributions that were made that were slightly below the minimum amount necessary to receive a particular reward tier level. This researcher ultimately suggests that, if a donor's original contribution level is close to the minimum of the next donation level tier, then they are typically willing to donate the minimum requirement to qualify for that next tier (McCall & Voorhees, 2010). Ultimately, tiered reward systems have been utilized to increase higher levels of donor giving, promote donor loyalty, maximize annual contribution revenue. Given the role that tiered reward systems have in increasing revenue, and the notion that some athletic departments have failed to adjust their systems given substantial environmental factors, this study seeks to examine the current structure of these tiered reward systems, and whether their structures and prices are empirically driven by market-related variables.

Methods

To address RQ1, data encompassing the total number of tiered reward levels and minimum price requirements for each tiered reward level was compiled from a stratified sample of NCAA Division I FBS athletic programs ($n = 121$) across the nation. The number of tiered reward levels and associated price ranges were recorded through examining each institution's athletic department website, as they typically provided a tiered reward chart for individuals to refer to on their donation webpage. Once all of the data was collected, SPSS, a statistical software, was used to analyze the descriptive statistics of the tiered reward levels for the sample set. During this time, all measures of central tendency (mean, median, mode) and measures of variance (range, standard deviation, variance) were examined and recorded. In all, an analysis of descriptive statistics was used to describe the current state of tiered reward systems used by Division I FBS athletic programs.

The results of RQ2 identify whether any of the independent variables predict the variance in the total number of tiered reward levels at an institution. We examined the ten independent variables commonly utilized in previous literature to determine the value of other sport inventory. This literature include the value of tickets (Rishe & Mondello, 2004), corporate sponsor naming rights (Popp et al., 2016), and sponsorship apparel deals (Jensen et al., 2016). Next, A multiple regression analysis was utilized to assess whether any of the ten independent variables were statistically significant predictors of the quantity of tiered reward levels (see Table I). It is important to note that the multicollinearity diagnostics were utilized during the analysis to identify any issues of multicollinearity in the model. The dependent variable for the model was the total number of tiered reward levels.

To address RQ3, a multiple regression analysis was also conducted. The results of this analysis identify whether any of the independent variables predict the variance in the tiered reward minimum price requirements. The dependent variable for the model is the mean value of tiered reward minimum price requirements. The ten independent variables were also utilized in the analysis. Lastly, a final predictive model was created by running a multiple regression analysis with only the independent variables found statistically significant. The results of the final model adequately answer RQ3.

To address RQ4, a multiple regression analysis was utilized; the dependent variable in the model was the mean value for minimum tiered reward minimum price requirements. The independent variable in the model was annual contribution revenue. All other variables were controlled in the model. To analyze RQ5, the institutions were divided into four groups based on total annual contribution revenue (See Table 2). This segmentation was used due to the large variance in institutional characteristics (the independent variables) between institutions in sample set ($n = 121$), as there was a lack of linearity when observing IV's among institutions. Once groups were created, a descriptive statistical analysis was then conducted to examine differences in the number of tiered reward levels and prices. Next, a multiple regression was used to identify whether there is statistical significance between the independent variables and the dependent variables. The dependent variable utilized was the total number of tiered reward levels. Similar to RQ4, the independent variable in the model was total annual contribution revenue. All other variables were controlled for during the regression analysis.

Table 1
Independent Variables and Descriptions

Variables	Definitions
University Enrollment Size (Popp, DeSchrive, McEnvoy & Diehl, 2016)	The total amount of students (undergraduate and graduate) attending the university or college during the 2017-2018 academic year. Derived from usatoday.com
Median Household Income (Popp, DeSchrive, McEnvoy & Diehl, 2016)	The average household income within the MSA population in which the university or college is located. Data reflected of 2018. Derived from www.census.gov
Professional Team in Market (Popp, DeSchrive, McEnvoy & Diehl, 2016)	The presence of a pro-organization/team-NFL, NBA, MLB, NHL- within the same MSA as the university This is a categorical variable that receives a 1 = presences of a pro team, and a 0, if they do not. Derived from www.sportsfacts.org
Total Number of Student-Athletes (Jensen, Wakefield, Cobbs & Turner, 2015)	Total participants on a men's and women's varsity team at Division I athletic program during the 2017-2018 academic year. Derived from www.ope.ed.gov/athletics/#
Age of Football Program (Jensen, Wakefield, Cobbs & Turner, 2015)	Total number of years since the founding of the Division I football program, as of the year 2018. Derived from www.stats.ncaa.org
Age of MBB Program (Jensen, Wakefield, Cobbs & Turner, 2015)	Total number of years since the founding of the Division I men's basketball program, as of year 2018. Derived from www.stats.ncaa.org
NCAA MBB Tournament Appearances (Jensen, Wakefield, Cobbs & Turner, 2015)	All-time number of appearances at a DI NCAA Tournament Appearances, as of the 2017-2018 season. Derived from www.mcubed.net
Total Football Bowl Appearances (Jensen, Wakefield, Cobbs & Turner, 2015)	All-time number of appearances at a DI college football bowl game, as of the 2017-2018 season. Derived from www.mcubed.net
Power Five Status (Jensen, Wakefield, Cobbs & Turner, 2015)	Highest level of NCAA football. ACC, SEC, Big 10, Big 12, PAC 10 conferences. 1 = Power Five status, 0 = Non-power five. Derived from www.ncaa.com
Annual Athletic Contribution Revenues (McEvoy, Morse & Shapiro, 2013)	Annual monetary donations received DI athletic department in 2017-2018. www.sports.usatoday.com/ncaa/finances

Results

To answer RQ1, the analysis of descriptive statistics illustrates the current structure of tiered reward levels and prices across the NCAA Division I FBS institutions sampled ($n = 121$). The analysis revealed the mean number of tiered reward levels across the sample is approximately nine tiers ($M = 8.85$, $SD = 2.08$). The range for the total number of tiered reward levels is 15. The University of Buffalo has only 4 tiered reward levels, which is the lowest among all institutions in the sample set. In contrast, the institution with the highest number of tiered reward levels in the entire sample set is Duke University, which has a total of 19 tiered reward levels. To continue, the median and mode is nine tiered reward levels, which is identical to the mean value. In essence, this indicates the distribution of tiered reward levels is an approximately symmetrical distribution curve. Further, the measures of central tendency for Power 5 institutions ($n = 61$) and non-Power 5 institutions ($n = 60$) are relatively similar. The mean number of tiers for Power 5 institutions is 8.77 ($SD = 2.37$) and the mean number of tiers for non-Power 5 institutions is 8.81 ($SD = 1.75$). Similarly, the median and mode for tiered reward levels is nine for both the Non-Power 5 and Power 5 institutions.

Overall, most athletic departments structured their tiered reward systems to contain between 8 to 10 tiered reward levels, which accounts for 58% of the sample set. These similarities were relatively consistent regardless of the type of institutions (public or private), and status as a Power 5 or non-Power 5 institution. It is important to note that this consistency was also found regardless of the large variation in the characteristics of institutions in the sample set. Across all institutions ($n = 121$), the minimum gift required for the lowest tier level for any school in the data set was \$1 and the largest minimum gift requirement was \$1,000.

The measures of central tendency and variance were also assessed for the highest tiered reward levels among the institutions sampled ($n = 121$). To begin, the average minimum gift requirement to be included in the highest tier level was \$32,905 ($SD = 25,077$). The mode price value is \$25,000, which is identical across both Power 5 and Non-Power 5 institutions. Of note, the minimum gift to be included in the highest tier level differs between Power 5 and non-Power 5 institutions. On average, the minimum gift to be included in the highest tier level within Power 5 conferences is \$38,648 ($SD = 26,510$) while the mean for non-Power 5 institutions was \$27,163 ($SD = 22,328$). The minimum gift to be included in the highest tier level in the SEC was \$31,756 ($SD = 32,624$), which is the lowest of all Power 5 conferences sampled. In contrast, The Big Ten Conference contained the largest average gift requirement to be included in the highest tier level at \$78,514 ($SD = 143,769$).

To address RQ2, a multiple regression analysis was performed to assess which independent variables predict the variance in number of tiered reward levels established at Division I FBS institutions. The total number of tiered reward levels at an institution was utilized as the dependent variable. Ultimately, the results revealed none of the independent variables were statistically significant predictors of number of tiered reward levels; $F(11, 89) = .455$, $p = .926$.

A multiple regression analysis was also conducted to address RQ3. The dependent variable for this model was the mean value for tiered reward minimum price requirements. The results of a final model utilizing only the three independent variables revealed that enrollment, all-time NCAA men's basketball appearances, and all-time football bowl game appearances, were statistically significant in predicting tiered reward level pricing; $F(3,96) = 10.581$, $p < .005$. This model predicted about 25% of the variance in tiered reward level pricing ($R^2 = .248$).

Examination of the unstandardized beta coefficients for enrollment suggested mean price for tiered reward levels will increase by about 18 cents for every student at an institution ($B = .176$). For the NCAA men's basketball tournament appearance variable, the unstandardized beta coefficient suggested for every tournament appearance, the mean minimum gift amount increased \$271 ($B = 271.2$). And in regards to all-time football bowl game appearances, the unstandardized beta coefficient suggested the mean minimum gift amount decreased \$105 for every year an institution appeared in a bowl game ($B = 105.4$).

A multiple regression analysis was also conducted to assess RQ4. The results revealed no relationship between the mean value of minimum tiered reward levels and annual donation level revenues, when controlling for other independent variables ($t = -.662, p = .510$).

To analyze RQ5, the institutions were divided into four groups based on total annual contribution revenue (See Table 2). A descriptive statistical analysis revealed a general linear increase in the total number of tiered reward levels for the first three groups; Group 1 was 8.5, Group 2 was 8.9, and Group 3 was 9.3. Of significance, however, was for the fourth group of schools, those receiving over \$30 million annually, the mean number of tiers was 8.3. To continue, RQ5 also required utilizing a multiple regression analysis to assess the relationship between the total number of tiered reward levels and the annual contribution revenues. When controlling for other independent variables, the results revealed no relationship between these variables ($t = -.624, p = .534$).

Table 2

Descriptive Statistics- Tiered Reward Prices by Annual Contribution Level

Group		Total Tiers	Range	MeanMins (\$)
Group 1 (n = 24) (\$0-\$3M)	Mean	8.5	\$23,354	5338.51
	Std. Deviation	1.79	21292.85	3771.20009
Group 2 (n =27) (\$3M-\$10M)	Mean	8.9	\$30,429	7149.4
	Std. Deviation	1.59	24198.11	5114.01386
Group 3 (n = 29) (\$10M-\$30M)	Mean	9.3	\$57,058	11105.85
	Std. Deviation	1.60	90734.48	10211.64182
Group 4 (n = 21) (\$30M+)	Mean	8.3	\$28,576	7221.76
	Std. Deviation	1.85	28601.76	5056.18226
Overall	Mean	8.8	\$36,009	7870.1439

Discussion

The findings of RQ1 help provide a basis for understanding the current landscape of intercollegiate athletic departments tiered reward systems. Among the NCAA Division I FBS institutions sampled ($N = 121$), 58% of the institutions had between 8-to-10 tiered reward levels; these findings were consistent across the type of institution (public or private) and program status (Power 5 or Non-Power 5). In essence, the majority of athletic departments in the sample have similar reward system structures, regardless of their institutional differences. Given these results,

one may possibly suggest that perhaps athletic departments are modeling, to some extent, their tiered reward systems after each other's practices, rather than tailoring their strategies to fit their unique institutional characteristics. In sociological theory, this imitation of practices is commonly described as mimetic isomorphism. This form of isomorphism is noted as a result of uncertainty or ambiguity over a particular process or strategy (Di Maggio & Powell, 1983). In the case of tiered reward systems, ambiguity may result from the notion that there is a lack of empirical analysis within intercollegiate athletics that examines tiered reward systems. This lack of empirical analysis leads to the uncertainty of whether the adopted process actually improves efficiency.

It is important to note that the similarity in tiered reward systems across the majority of institutions in the sample do not assume that all institutional reward systems are optimal and revenue-optimizing. This is evident in the results of RQ2. The results of RQ2 indicated that an increase in the number of tiered reward levels was not associated with increases in total donation revenue, as institutions that had highest annual donation revenue (over \$30M+) actually had the lowest number of tiers in comparison to institutions that generated less than \$30 (See Table II). In fact, the findings for RQ2 suggest that the strategizing of having fewer tiers, with an optimal price point, could be beneficial in generating higher levels donor contributions. This finding confirms previous research that found that fewer tiered reward levels were associated with higher donation levels (Chen et al., 2016). Chen et al.'s (2016) research also suggested that it was beneficial to keep the number of tiered reward levels to a minimum, and only added upon as necessary. Although this is evident, some athletic departments have increased their tiered reward levels over the past few years. During the 2017-2018 academic year, Virginia Tech's athletic department added three new tiered reward levels, which came with new incentives that included VIP travel experiences and the ability to fully fund in-state and out-of-state student-athlete scholarships. Similarly, Oklahoma University's athletic department increased their number of tiered reward levels from 7 to 10 tiers for the 2018-2019 academic year, requesting higher donation amounts in exchange for new exclusive incentives such as customizable experiences and special gifts. So, while fundraisers add tiers to improve their donation efforts, the efficiency of adding tiered reward levels may pose as counterproductive to their goals of maximizing annual donation level revenue. Given that market variables did not dictate tiered reward structure in this study, and that donor motivations are primarily transactional (Mahoney et al., 2003; Wells et al., 2005), it may serve athletic departments well to consider the number of incentives/ tiered reward levels that they provide. We recommend that fundraisers consider conducting surveys or focus groups in order to better understand the relationships between the number of tiers and the number of donors/revenues generated. Reexamining changes in tiered reward levels may lead to improvements in fundraising performance—a task particularly crucial given the current financial strains posed in intercollegiate athletics.

Additional evidence of isomorphic patterns in the number of tiered reward levels and minimum donational level requirements are found in the results of RQ4 and RQ5. Through these results, it is further evident that we cannot assume that all institutional reward systems are optimal and revenue-optimizing. The results of RQ4 revealed that there was no relationship between tier reward prices and annual donation revenue. Similarly, the findings for RQ5 revealed that there was no relationship between the number of tiered reward levels and total donation revenue. This lack of association between annual donation revenue and tiered reward systems was surprising, as one may expect that athletic departments that generate the most revenue would have the more efficient tiered pricing structures. The fact that this was not the

case further suggest the possibility of mimetic isomorphism. In other words, it suggests that development teams have copied the tiered reward systems strategies of other institutions, rather than examining the individual impact of their tiered reward pricing and structures on their specific audience. It is important to note that mimetic isomorphic behaviors such as this have potential negative consequences. More specifically, previous research has found that mimetic behaviors can have a negative impact on profit generation (Barreto & Baden-Fuller, 2006). Considering the potential negative consequence of mimetic isomorphic behaviors, we suggest that development teams seek to further understand or examine the relationship between tiered reward structures/prices, and the number of donors/amounts annually donated. The notion of creating optimal pricing strategies in athletic is not new, as professional sport organizations and intercollegiate athletic departments have already become very sophisticated in pricing strategies related to maximizing revenue in ticket sales (Rishe & Mondello, 2004), corporate sponsor naming rights (Popp et al., 2016), and sponsorship apparel deals (Jensen et al., 2016). Further examining tiered reward strategies would aid development teams in understanding tiered reward effectiveness. Given that donors have been found to give the minimum amount necessary to reach the next tier level, development teams should consider selecting the highest tiered price points that do not reduce donor participation, as this may result in increased donor revenue. We acknowledge that experimenting with various price points and associating them with annual donation revenue is potentially risky. Given that tiered reward systems are established once a season, the notion of presenting donors with frequent changes in price points at different tier levels could lead to donor resistance. Rather than experimenting with price adjustments on an annual basis, we suggest the approach of experimenting through sending surveys or conducting focus groups with donors. This would help practitioners indicate the price points that could increase revenue, while reducing the risk of inconveniencing donors. It also important to note that not experimenting with price points also has potential risk, as it may results in missed revenue opportunities during a time where the Tax Cuts and Job Act, and the Covid-19 pose as substantial challenges on fundraising efforts.

The findings of RQ3 help provide a basis for understanding how intercollegiate athletic departments price their tiered reward systems. RQ3 revealed that 25% of the variance in tiered reward pricing is predicted by men's basketball tournament appearances, men's football bowl game appearances, and university enrollment. While further empirical analysis is needed to confirm, the finding that men's basketball tournament appearances can be utilized to predict tiered reward prices may indirectly be due to an increase in demand for tickets. After all, prior researchers have indicated that there is a correlation between ticket sales and performance in football and men's basketball. (Koch, 1971; Raiborn, 1978; Sigelman & Bookheimer, 1983). Given that donors are primarily motivated to donate for season ticket-related benefits (Mahoney et al., 2003; Wells et al., 2005), which can only be accessed through meeting certain donation level requirements (Gladden et al., 2005), athletic departments may respond to increased demand for tickets by raising their minimum donation level prices. On another note, the variable reflecting institutional-related market factors (university enrollment) also indicated a positive effect in relation to tiered reward prices. While additional data is needed to confirm, the positive effect between enrollment size and tiered reward prices may in part, be due to the concept that areas with large enrollment sizes typically have elite athletic programs (McEvoy, Morse & Shapiro, 2013). This is certainly the case for public institutions such as the Ohio State University, Penn State University and the Michigan State University, who all have top athletic programs and large enrollment sizes. Previous research has stated that large enrollment sizes and

strong universities revenues can lead to a greater investment on athletics and therefore, greater athletic success (McEvoy et al., 2013). As mentioned previously, athletic departments may increase donation level prices as a result of increased demand stemming from increased athletic success. Without further empirical analysis, this notion has yet to be confirmed.

To continue, men's football bowl game appearances had a negative effect in relation to tiered reward prices. This was rather surprising based on a priori expectations, as one may assume that there is a positive relationship between performance-related factors and tiered reward prices; after all, the men's basketball tournaments appearances variable indicated a positive effect on tiered reward prices. Given that football bowl game appearances have not, to our knowledge, been examined in relation to tiered reward pricing prior to this study, it is unclear as to why there is a negative effect. This negative relationship associated with the football bowl game appearances doesn't exactly align with the findings of previous studies, which indicate that football success leads to higher demands for tickets sales (Koch, 1971; Raiborn, 1978; Sigelman & Bookheimer, 1983) and higher levels of athletic contributions (Humphreys & Mondello, 2007; McEvoy et al., 2013; Sigelman & Bookheimer, 1983). This finding also doesn't support basic economic theory, in that increases in demand, due to football success, would result an increase in prices. Given this misalignment with prior literature and basic economic theory, one may surmise that development teams may not structuring their prices in a market-driven way.

The results of the study are not sufficient to guide practitioner decision-making. In other words, the results demonstrate problems with the system; they do not provide the concrete direction to fix it. Many athletics administrators are likely to examine the issue of development reward tier structure from a micro perspective. To self-correct, the development team would need to experiment with different tier and pricing structures, which may have unintended negative results on donors. We advise administrators to move cautiously and to utilize other forms of data, such as survey results and focus groups, to help establish best practices. However, we suggest the current study offers a valuable contribution to the field, namely a demonstration of how to use aggregate, macro data to move toward a more efficient market. With 130 FBS NCAA institutions, and over 350 Division I program, enough data exists to produce natural "experimentation". Instead of an individual school being forced to manipulate their reward tiers in order to detect the impact on fundraising, we demonstrate when data is available from a significant number of schools, it is possible to detect the impact of having six tiers versus eight tiers, while controlling for key metrics by including many schools in a single study. In the future, if administrators are willing to share more donor data, the current research demonstrates how it would be possible to investigate the impact on giving resulting from tier and pricing manipulation.

Limitations and Future Research

This exploratory study contained several major limitations. As for most multiple regression analysis, the final regression model indicated that the market factors utilized in the study did not explain the total variance in tiered reward prices, as the R^2 value was only .248. This means that about 75% of the variance in tiered reward systems was not explained in the model. In addition, this study only tested ten variables in the model due to the limitations of observations. The lack of empirical evidence does not mean that athletic departments aren't aligned with maximizing annual contribution revenue. Rather, it informs a limitation of the study and suggest that future studies should consider examining additional market variables.

Another major implication of this study was that the data for several potential independent variables was not accessible, which would have been helpful in assessing the effectiveness of pricing strategy for tiered reward levels, if provided. Specifically, this study accounted for neither the number nor value of gifts provided per given level at their respective institutions. Information related to donor benefits is a major limitation in the study and could serve to be beneficial in future research. For example, one should examine the types of benefits allotted at different tiered reward levels and total the number of benefits at each tiered reward level. This examination could provide additional insight as to how athletic departments structure the number of tiered reward levels. This information could also give rise to how donor behaviors and how their giving may change based on the number of associated benefits they receive from each level.

Another direction for future research is to survey development officers asking for their rationale behind their strategies for structuring and pricing tiered reward systems. In contrast to this study's quantitative approach, future researchers should consider taking a qualitative or mixed-methods approach. In essence, a survey would provide a greater understanding for the current strategies, which currently lack evidence in the use of market factors. Lastly, future research should also consider assessing the benefit charts of institutions within Division II and Division III. This is mainly due to the fact that this study only assesses Division I, which in essence, may have reduced the variability in price and structure of the findings of tiered reward systems within intercollegiate athletics.

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