

EFFECTS OF ENTRY FEES AND EXTRINSIC REWARDS ON FANTASY SPORT USERS' WINNING CONFIDENCE AND ANTICIPATED EMOTION

Author:
Joon Sung Lee

email:
joonslee@umich.edu

Co-authors:
Adam Rosenblum
Dae Hee Kwak (Advisor)(kwakd@umich.edu)

University:
University of Michigan

Faculty:
School of Kinesiology

Abstract

Introduction

In 2009, the Fantasy Sports Trade Association reported nearly 30 million Americans participate in fantasy sports, spending up to five billion dollars annually on related products (e.g., subscriptions, software, and magazines, etc.). Given the size, growth, and established profitability of the industry, fantasy sport providers need to better understand the implications of specific marketer-controlled variables on fantasy sport consumption experience. The current study focuses on two particularly relevant variables that fantasy service providers consider as they design and market their product: entry fees and extrinsic rewards. From a consumer behavior perspective, this study aims to examine the effects of entry fees and financial incentives on fantasy sport user's 'winning expectancy' and 'anticipated emotions'.

Literature Review

While the fantasy sport industry has developed dramatically over the past decades, researchers have noted a distinct lack of theory-driven research in the field (Davis & Duncan, 2006). Suh, Lim, Kwak, and Pedersen (2010) found that "economy" (e.g., winning monetary incentives) factor was one of several significant motives for participating in fantasy sport. Similarly, Roy and Gross (2007) contended that extrinsic rewards influence one's decision to play fantasy sport. Burger and Schnerring (1982) discovered that individuals are significantly more susceptible to illusion of control (e.g., overestimation about winning probability within chance-based events) when there is an extrinsic reward. Their study implies that the presence of an incentive might increase fantasy users' winning expectancy and the anticipated positive emotion in turn. While research concerning fees in the fantasy sports realm is limited, Dou (2004) found evidence of a "free

mentality" concerning internet content in general, suggesting that most internet users are skeptical that "pay" content is worth its price. However, at the same time, fees might also intuitively signal a higher quality experience, and thereby lead to greater confidence and more positive emotional responses.

Based on the review of relevant literature, the current study will examine the following hypotheses:

H1: The presence of extrinsic reward will have a positive influence on winning expectancy and anticipated emotions.
H2: The presence of entry fee will have a positive influence on winning expectancy and anticipated emotions.

Method

A 2 (entry fee: free-to-play/pay-to-play) by 2 (extrinsic reward: present/absent) between-subjects design will be employed to examine the proposed hypothesis. A pilot study will be conducted to develop the stimuli (i.e., four print advertisements to manipulate stimuli). Participants for the main study will be recruited from undergraduate students at a large Midwestern university in the United States, and will be randomly assigned to one of four treatment conditions: free-to-play/extrinsic reward, free-to-play/no extrinsic reward, pay-to-play/extrinsic reward, and pay-to-play/no extrinsic reward. Participants will view their respective treatment advertisement before responding to questionnaires asking their winning confidence and anticipated emotion.

Outcome measures will include winning expectancy and anticipated emotion; four items from Kwak and colleagues (2010) will be applied to assess winning expectancy. In addition, anticipated emotions will be assessed by seven items for positive emotions (e.g., excited, delighted, happy, glad, satisfied, proud, and self-assured) and ten items for negative emotions (e.g., angry, frustrated, guilty, ashamed, sad, disappointed, depressed, worried, uncomfortable, and anxious) adapted from Bagozzi et al. (1998). All items will be measured with seven point Likert type scales. The data analysis will include descriptive analysis, reliability test, validity test, and a set of ANCOVA using prior fantasy sport experience as a covariate.

Expected Results and Discussion

Based on the literature, we expect participants in the reward condition will exhibit greater levels of both winning expectancy and anticipated emotions compared to participants in the no reward condition. Similarly, the presence of entry fee will increase the levels of both outcome measures. Specifically, we predict the greatest winning confidence and the most favorable anticipated emotion levels from the pay-to-play/reward condition, while the free-to-play/no reward condition would exhibit the least winning confidence and the least favorable emotion levels.

We believe the current study will contribute to the sport management literature by demonstrating the causation between specific antecedents and participants' emotional outcomes and winning confidence in the popular online sport phenomenon. In particular, the findings will provide empirical evidence regarding the utility of marketer-controlled factors in enhancing participants' affective responses. Additionally, this study has significant pragmatic value for practitioners, as the results will allow marketers to optimize their services to satisfy latent desires of their target consumers by increasing positive

emotions and winning confidence.