

THE INFLUENCE OF THE SPORT LEAGUE ON CONSUMERS OF TEAMS

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Abstract keywords

Brand Development, Fan Development, Sport League Sport Team

Aim

Empirically examine the influence of the league on consumers of teams

Introduction

The management of sport leagues and teams is complex (Mason, 1999). This complexity requires managers “to make decisions with global impact – both on a team and league level” (Koenigstorfer, Groeppel-Klein & Kunkel, 2010, p. 156). Therefore, management decisions are made to develop and protect the league and team brands and are oriented towards attracting consumers. These consumers underpin the professional spectator sport industry because they are the main reason other stakeholders are attracted to sports (Mason, 1999). As a consequence, consumers generate income for both the league and the teams through direct and indirect consumption behaviours. Given that teams produce the league product and provide points of attachment for consumers, leagues need to assist them in generating consumer interest and maximising their revenues to ensure the long-term viability of the teams and consequently the league. Leagues can influence consumers’ team consumption behaviours through league management decisions that alter characteristics of teams or the product that the teams can provide to their consumers. For example, a salary cap increase allows teams to employ better players whilst a launch of league-wide marketing promotions creates consumer awareness of the teams. However, despite the importance of the league for its teams, the influence of the league on consumers of teams has not been investigated. This provided an opportunity to empirically examine the influence of the league on consumers of teams.

Literature review

According to agency theory, leagues and teams are connected through their structural relationship. The league represents the franchisor that provides the framework within which the teams compete, whereas the teams represent franchisees that provide the core product (i.e., games) that generate income (Mason, 1997). The framework includes the provision of a competitive league; the governance of all involved parties, such as players and sponsors; and the provision of strategic management and marketing directions, such as rule changes and promotions. Consequently, changes within the framework influence teams and subsequently team consumers because “professional sports teams cannot compete without a great deal of coordination on matters such as where, when, and how games will be played and the

sequence of contests that will decide a league champion” (Flynn & Gilbert, 2001, p. 27). Overall, the league framework needs to provide a foundation from which the teams can build their brand to leverage their brand relationship and develop their consumer base.

Leagues and teams are connected through their brand architecture, which determines how consumers perceive the brand relationship between leagues and their affiliated teams (e.g., Aaker & Joachimsthaler, 2000). The brand architecture of leagues and teams represents a vertical relationship, where the league as the franchisor represents the master brand and the teams as the franchisees represent subbrands. This mixed-branding approach indicates that leagues and teams are visibly connected as perceived by consumers. Consequently, consumers of a team know that their favourite team competes within a specific league, while consumers of a league are aware of teams within the league. Thus, while leagues influence their affiliated teams through their structural relationship, the brand relationship between leagues and teams indicates that consumers’ overall evaluation of the league may also influence their connection to their favourite team.

The Psychological Continuum Model (PCM; Funk & James, 2001, 2006) forms the theoretical framework to guide how consumers connect with their favourite team. The PCM integrates psychology, consumer behaviour and marketing literature to understand consumers’ psychological connection to a sport brand (e.g., league, team). Within the PCM, it is proposed that external input factors, such as socializing agents, and internal input factors, such as consumers’ personalities and psychological needs, interact with each other and influence evaluative processes. These processes include perception, learning and memory, which each influence the evaluation of the external and internal input factors. Outcomes based on the input evaluation include psychological outcomes, such as brand associations, and behavioural outcomes, such as game attendance (Funk & James, 2006).

Conceptually, a factor that is external to consumers’ connection with their favourite team, such as the league within which the team competes, has an impact on their connection with the team (cf. Funk & James, 2001, 2006). For example, consumers may perceive that a league has competitive games, because the league employs several methods (e.g., salary cap, shared media income) to influence the attractiveness of the league from a consumers’ perspective (Koenigstorfer et al., 2010). However, consumers have no direct influence on the league’s characteristics and the league’s management decisions. Yet, these consumers evaluate the league in which their favourite team competes and develop brand associations linked with the league based on the attributes of the league and the benefits that the league provides to them. These brand associations are unique from but operate similar to team brand associations (Gladden & Funk, 2002) and represent consumers’ overall evaluation of the league. While consumers’ evaluation of the league is internal, the league operates as an external force beyond the consumer control and therefore through management and marketing strategies influences consumers’ evaluation of a team. Based on the close brand

relationship between leagues and teams, Hypothesis 1 was developed:

H 1: League brand associations will have a positive influence on team involvement?

Generally, the stronger individuals' involvement with a sport team, the more likely they are to attend games of that team (e.g., Doyle, Kunkel & Funk, 2013; Funk & James, 2001, 2006). In consideration of the close relationship between leagues and teams, it is also expected that the more positive consumers' league brand associations are, the more likely they are to attend games of their favourite team. Therefore, it is expected that consumers' league brand associations and team involvement jointly influence their intentions to attend games of their favourite team. Drawing on this proposition, Hypothesis 2 was developed:

H 2: Jointly, league brand associations and team involvement will have a positive influence on intentions to attend team games?

However, as previously demonstrated consumers' team involvement does not always transfer to game attendance. For example, attitudes such as loyalty (e.g., Hill & Green, 2000; Wakefield & Sloan, 1995) and social aspects of game attendance were shown to have a strong influence on individuals' game attendance (Neale & Funk, 2006), and intentions to attend games (Cunningham & Kwon, 2003). Similarly, researchers identified constraints that hindered consumers' game attendance (Pritchard, Funk, & Alexandris, 2009), or identified that consumers substituted game attendance with media consumption (Pritchard & Funk, 2006). Thus, a theory that conceptualises how behavioural intentions are formed based on team affect and beliefs is beneficial to bridge this gap. Consequently, the Theory of Planned Behaviour (TPB; Ajzen, 1991) can be integrated into the PCM framework to examine how league brand associations and team involvement influence intentions to attend team games. According to the TPB, behavioural intentions "capture the motivational factors that influence a behaviour; they are indications of how hard people are willing to try, or how much of an effort they are planning to exert, in order to perform the behaviour." (Ajzen, 1991, p. 181). Intentions to perform behaviours are formed based on the evaluation of three kinds of beliefs – behavioural beliefs, which influence consumers' attitude towards the behaviour, normative beliefs, which influence consumers' perceived social norms towards the behaviour and control beliefs, which influence consumers' perceived behavioural control towards the behaviour. Therefore, drawing from the TPB, Hypothesis 3 was developed:

H 3: The joint influence of consumers' league brand associations and team involvement on their intentions to attend team games is mediated by beliefs about team game attendance.

Method & analysis

Quantitative data were collected via online questionnaires. Participants were recruited through Internet fan forums of all teams within the A-League, which is Australia's elite football/soccer competition. The questionnaire was started by 752 participants and 420 fully completed questionnaires were retained for analysis

after a data cleaning process. League brand associations (LBA) were measured by 14 items on a 7-point Likert scale each representing one league brand association construct. Team Involvement (TI) was measured with three items (e.g., Doyle et al., 2013). Consumers' attitudes towards attending games of their favourite team (ATT) were measured with three items on a semantic differential scale. Consumers' perceived social norms towards attending games of their favourite team (SN) were measured on a 7-point Likert scale using three items. Consumers' perceived behavioural control over attending games of their favourite team (PBC) was measured on a 7-point Likert scale with three items (Cunningham & Kwon, 2003). Behavioural intentions to attend team games were measured with one open ended item where respondents entered the number of games they intended to attend in the following season. Additionally, demographic data were collected.

Data were downloaded and imported in IBM SPSS Statistic 19 and MPlus 6.1. The quantitative data analysis involved calculating descriptive statistics, inferential statistics and multivariate statistics. A confirmatory factor analysis (CFA) was conducted using the three team involvement items, the nine beliefs about team game attendance items and the 14 league brand association items. Behavioural intention to attend team games was measured with a single item measure and therefore not included in the CFA. Structural equation modelling (SEM) was utilised to test direct effects of league brand associations on team involvement and behavioural intentions to attend team games, as well as team involvement on behavioural intentions to attend team games. Following tests for direct effects between constructs a mediated model was tested.

Results

Initial CFA tests determined how well 26 items loaded on five constructs. Three items were computed to load on a factor representing team involvement (TI) to create a uni-dimensional team involvement construct that serves as a proxy measure of consumers' connection with their favourite team. Three items were computed to load on a factor representing ATT; three items were computed to load on a factor representing SN; three items were computed to load on a factor representing PBC; and 14 items were computed to load on a factor representing league brand associations (LBA). The results of this CFA indicated a poor model fit with cross-loadings between items and constructs. Modification indices displayed problems with residual covariances that significantly inflated the χ^2 fit of the model. To develop unique constructs and ensure discriminant validity, modification recommendations were followed and six league brand association items were deleted.

After model respecification, a second CFA tested 20 items loading on five constructs. The fit indices suggested a good model fit ($\chi^2 = 270.06$; $df = 160$; $\chi^2/df = 1.69$; $p < .001$; RMSEA = .040; CFI = .97; TLI = .96 and SRMR = .043). Factor loadings for each item exceeded the $r = .50$ benchmark. The t -values were all significant and ranged from 10.82 to 53.46. The AVE scores for LBA, TI, ATT, SN and PBC met the recommended .50 threshold and all Cronbach's α scores exceeded values of .70 providing support for the internal consistency of the constructs. The

factor loadings from the CFA were used to calculate composite mean scores for LBA ($M = 5.43$), TI ($M = 5.29$), ATT ($M = 5.43$), SN ($M = 5.36$) and PBC ($M = 5.52$). Respondents indicated their intention to attend an average of 12 team games in the following season ($M = 12.06$). Composite mean scores were utilised to test the hypotheses.

In regards to Hypothesis 1, the direct effect of league brand associations on team involvement was 30% ($\beta = .55$; $p < .001$). Thus, the league positively influenced consumers of teams. To address Hypothesis 2, the direct effects of league brand associations and team involvement on behavioural intentions to attend team games were tested in three structural equation models. First, league brand associations predicted 12% of the variance of behavioural intentions towards team game attendance ($\beta = .34$; $p < .001$). Second, team involvement predicted 25% of the variance of behavioural intentions towards team game attendance ($\beta = .50$; $p < .001$). Third, league brand associations predicted ($\beta = .55$; $p < .001$) team involvement and behavioural intentions towards team game attendance ($\beta = .11$; $p = .04$). League brand associations explained 30% of the variance of team involvement. Team involvement predicted behavioural intentions towards team game attendance ($\beta = .48$; $p < .001$). Jointly, league brand associations and team involvement explained 28% of the variance of behavioural intentions towards team game attendance. Thus, league brand associations and team involvement jointly influenced consumers intentions to attend team games. Following these direct tests, the mediated measurement model was tested.

In regards to Hypothesis 3, the results of the SEM revealed a good fit for the measurement model, based on the reported goodness of fit indices ($\chi^2 = 4.40$; $df = 2$; $\chi^2/df = 2.20$; $p = .11$; RMSEA = .054; CFI = .99; TLI = .98 and SRMR = .011). League brand associations explained ($\beta = .55$) 30% of the variance of team involvement. League brand associations predicted ATT ($\beta = .22$), SN ($\beta = .16$) and PBC ($\beta = .24$). Team involvement predicted ATT ($\beta = .63$), SN ($\beta = .52$) and PBC ($\beta = .48$). Combined, league brand associations and team involvement explained 60% of the variance of ATT, 39% of the variance of SN and 41% of the variance of PBC. ATT were positively correlated with SN ($\beta = .14$) and PBC ($\beta = .15$). SN were positively correlated with PBC ($\beta = .24$). The three constructs ATT ($\beta = .23$), SN to ($\beta = .16$) and PCB ($\beta = .37$) explained 43% of the variance of respondents' intentions to attend games of their favourite team. Consequently, the influence of league brand associations and team involvement on behavioural intentions to attend team games was mediated by ATT, SN and PBC.

Discussion

The findings provide the first empirical evidence that the league in which a team plays influences consumers of teams. Addressing Hypothesis 1 and Hypothesis 2, findings show that consumers' league brand associations influenced both consumers' involvement with their favourite team and their intentions to attend games of their favourite team. Consequently, the league as the franchisor does not only influence its teams through their franchise agreements (e.g., Mason & Slack, 2005), but it also influences consumers' of team through the league's

brand associations, as indicated by the brand architecture of leagues and teams. Hence, individuals who have positive associations with the league brand are more likely to be involved with their favourite team and show higher intentions towards attending games of that team. Addressing Hypothesis 3, findings of this research support and contradict previous research. Findings indicate that the influence of league brand associations and team involvement on consumers' intentions to attend team games was mediated by ATT, SN and PBC as the mediated model explained more variance in consumers' intentions to attend team games. These findings align with previous research that identified factors that influence game attendance and intentions to attend games (e.g., Cunningham & Kwon, 2003; Hill & Green, 2000; Neale & Funk, 2006; Pritchard et al., 2009; Wakefield & Sloan, 1995). However, unlike findings of the current research, previous studies that examined game attendance beliefs within a sport spectator context suggested that the influence of ATT and SN on intentions to attend games was higher than the influence of PBC (Cunningham & Kwon, 2003). These findings may be explained by the sample in Cunningham and Kwon's (2003) study, which consisted of University students who were asked for their intentions to attend games of the University hockey team. It can be argued that most University team venues are easy to reach; that students have more spare time than regular consumers; and that the average ticket price of \$4 should not present a major financial constraint to attendance. The usage of a convenience sample consisting of students was also mentioned as a major limitation of their study (Cunningham & Kwon, 2003). The authors proposed that ticket prices and game schedules of professional teams may have a different influence on consumers' perceived behavioural control. These aspects were addressed by the current research. Findings of the current research show that the dimension PBC showed the highest beta weight to consumers' intentions to attend games, compared to the dimensions ATT and SN. This finding supports research suggesting that inflated ticket prices (Neale & Funk, 2006) and inconvenient game schedules (Trail, Robinson, & Kim, 2008) can influence attendance negatively. Consequently findings of the current research are more applicable to a representative audience of professional sport teams.

Theoretical contribution

This research offers two main contributions to sport management theory. The first theoretical contribution of this research is the empirical examination of the influence of external factors within the PCM. Within the PCM framework, external factors are proposed to work in concert with internal factors to influence consumers' evaluative outcomes and subsequently their connection to a team (Funk & James, 2001, 2006). League brand associations are formed based on the perceived attributes of the league and the benefits that the league provides to its consumers. Considering that consumers have minimal to no influence these aspects, league brand associations represent external factors that influence consumers. Consequently, this research provides empirical evidence that external factors influence consumers of a team, supporting the theoretical propositions of the PCM framework.

The second theoretical contribution of this research is the integration of the TPB into the PCM framework to

examine intentions. Previous research within the PCM framework indicated that individuals are more likely to perform behaviour related to a sport object the more they are involved with the sport object (Beaton et al., 2011; Funk & James, 2006). Findings of the current research show that beliefs about game attendance, as indicated by the Theory of Planned Behaviour (Ajzen, 1991), mediate the influence of consumers' league brand associations and team involvement on their intentions to attend games of their favourite team. This means that for league brand associations and team involvement to transfer to behavioural intentions, individuals must have a positive attitude towards the behaviour (e.g., I would like to attend X live), see the behaviour as socially acceptable (e.g., Attending X is viewed positively by others) and feel that they are able to perform the behaviour (e.g., It is easy to attend X and I have enough time and money to attend X). Consequently, the PCM has provided a beneficial conceptual framework to integrate a relevant theory to explain how consumers' connection to a sport team links to behavioural intentions and subsequently their behaviour. This supports further integration of relevant theories into the PCM framework for future sport management theory testing.

Practical implications

The theoretical advancements of this research have implications for sport management practice. Findings of the current research indicate that the strategic brand management of sport leagues has a direct effect on consumers of teams, as indicated by their brand architecture. Therefore, leagues should assist their teams through league brand development to increase consumers' involvement with the team and their intentions to attend team games. This may include launching league-wide promotion campaigns, developing regular league related newsletters or Twitter feeds, initiating fantasy sport leagues or introducing All Star games. Furthermore, promotion campaigns could highlight the social acceptance of attending games and/or emphasise on aspects of the accessibility of the games. Drawing from agency theory and brand architecture knowledge, teams should reduce their self-interest in brand development actions and support the development of the league brand because the league influences team involvement. To foster these actions, the league could implement a team brand framework that not only outlines branding guidelines but also educates team employees on the brand architecture. As a consequence, the internal brand management and the brand as perceived by consumers of both entities are aligned to effectively leverage the close relationship between leagues and teams.

Limitations and future research

Limitations and future research directions should be acknowledged. First, this research focused on consumers of a football league in Australia, which is structured in a closed competition. Therefore, the transferability of this research to other contexts requires consideration. The influence of the league on consumers of teams may be stronger for established leagues (e.g., National Basketball League) or weaker for teams that compete in an open competition with promotion and relegation (e.g., European football leagues). Therefore, future research should explore the influence of the league on consumers

of teams in the context of established leagues and leagues that operate as an open competition.

Second, participants in this study represented consumers that were already involved with the league and team as they were recruited from online fan forums. They represented a knowledgeable segment of league and team consumers and were therefore deemed appropriate for this research. However, future research should consider exploring the influence of the league on team consumers who are less involved.

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