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**FAN IDENTIFICATION AND FAN LOYALTY: THE ROLE OF  
MERCHANDISING CONSUMPTION BEHAVIOUR - A COMPARATIVE  
ANALYSIS OF BASKETBALL FANS IN THE UNITED STATES OF  
AMERICA AND GERMANY**

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Synopsis:

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Aim of the Abstract – Research Question

In recent years, market research agencies have studied merchandising revenue streams in sports extensively and scholars have assessed the drivers of those merchandising sales (O'Reilly et al., 2015, in press). PWC (2014) estimates that merchandising revenues in North American sport in 2015 are US\$13.48 billion, or 21.3% of total revenues in sport in the continent. The National Basketball Association (NBA) is a key component of these numbers. The demand for research in this area by sport managers is based on their interest in merchandising as a key revenue driver. In addition to this, results from an existing study from the German Basketball League (Beko BBL) support the perspective of merchandising consumption as a boost for fan identification and fan loyalty (Woratschek et al., 2013). Consequently, non-financial values need to be considered in merchandising research, too. However, this study was limited because of its context in German basketball, but in sport management, value can differ a lot among national leagues (Woratschek et al., 2014). Therefore, this research focuses, first, on the role of merchandising consumption for fan identification and fan loyalty of basketball fans in North America, who follow the NBA. Second, this paper compares these results to the Beko BBL study to discover context-dependent values for basketball fans in the United States and Germany. Both leagues belong to the major basketball markets on their continent and represent the national premium basketball league.

Based on these considerations, the following research questions are assessed in this study:

1. Does merchandising consumption behaviour boost fan identification and fan loyalty of NBA fans?
2. Are there any (a) differences and/or (b) similarities between basketball fans in the USA and Germany? If so, what management implications and research outcomes can be derived?

#### Theoretical Background

There are various reasons that drive the purchase of merchandise in professional sport (O'Reilly et al., 2015, in press). Notably, fan loyalty and fan identification are seen as the main determinants of fan behaviour (Wann et al., 2004). In addition to those insights, we include satisfaction with merchandising supply and merchandising consumption behaviour, because merchandising activities influence the identification and loyalty of fans, sponsors, media, or even local authorities. This specific implementation of merchandising as a strategic marketing tool for long-term economic success has not yet been discussed.

#### Method, Research Design, and Data Analysis

An online survey was distributed to basketball fans in the United States via club forums and typical NBA related social media platforms. In determining the variables for the survey (e.g., satisfaction with merchandising supply and merchandising consumption behaviour), existing items from previous studies were adopted. Furthermore, customer satisfaction, fan identification, and fan loyalty (see Woratschek et al., 2013) have been included in the research design. To compare basketball fans in the United States and Germany, the following hypotheses are tested in both samples:

H1: Satisfaction with merchandising supply has a positive influence on merchandising consumption behaviour.

H2: Merchandising consumption behaviour positively influences fan identification.

H3: Customer satisfaction predicts fan loyalty.

H4: Fan identification leads to customer satisfaction and fan loyalty.

In order to verify those hypotheses, we use structural equation modelling (LISREL). Furthermore, we tested the moderation effects of both leagues on each hypothesis.

#### Results, Discussion, and Implications

The analysis provides insights into the specific behaviour of NBA basketball fans and the role of their merchandising consumption behaviour towards fan identification and fan loyalty. The main contributions of this research are to compare the importance of merchandising for fan identification and fan loyalty in different national contexts. Second, we demonstrate that merchandising does not only lead to direct financial revenues, but also increases fan identification and fan loyalty. Consequently, merchandising leads to higher non-financial values for fans. In practice, sport managers should focus more on non-financial values, because these values lead to long-lasting fan relationships, independent from short-term influences, such as a team loss. Third, our study proves the interrelationships between fan identification and fan satisfaction in contrast to many other empirical analyses in sport management where the focus is either on fan identification or on fan satisfaction. Therefore, we close another relevant research gap, because it is important to know whether sport

managers should focus more on long-term relationships based on fan identification or on sport service quality aspects based on fan satisfaction. In addition to that, we identify similarities and differences between basketball fans in the United States and Germany. Hence, we derive implications for practice and future research relevant to each of the two specific national basketball markets.

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