

DETERMINANTS OF VALUE OF SPORT LICENSED PRODUCTS AND EFFECT ON CONSUMER BEHAVIOR

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Purpose of paper

The primary purpose of this research was to uncover facets of the value sport licensed products hold for their owners. Secondly, this research examined whether this perceived value influenced consumers' future behavior, more specifically their willingness to pay a price premium for licensed products of their favorite team, the likelihood they would recommend those products to others, and their intention to buy sport licensed products in the future.

Theoretical background

The distribution and display of sport licensed products is a widespread phenomenon, particularly in North American culture. Professional and collegiate sport properties rely on licensing agreements to strengthen their bottom line, while consumers of sport use licensed products as a way to express their loyalty toward their favorite team, to preserve unique memories, and connect with other team supporters (e.g., Apostolopoulou, Papadimitriou, Synowka, & Clark, 2012; Mullin, Hardy, & Sutton, 2007). Past research has provided ample evidence of the relationship between fans' identification with a sport property and their intention to purchase and display licensed items from that property (e.g., Kwon & Armstrong, 2006; Kwon, Trail, & Anderson, 2006). However, with few exceptions, the literature has yet to deal with what those items mean to sport consumers. More recently, research efforts focusing on the value of sport licensed products uncovered functional, experiential and symbolic meanings held by the owners of those products (e.g., Apostolopoulou, Papadimitriou, & Damtsiou, 2010; Apostolopoulou et al., 2012). The present study aims to build on that research not only by unveiling meanings of sport licensed products but also by connecting those meanings to specific behavioral outcomes.

Methodology

Data collection for the present study took place in the fall 2012 at Donaldson Farms, located in Hackettstown, New Jersey, USA. Among its other attractions, the farm hosted a 'NASCAR Marketing in Motion' viewing party that fall. This event drew over 1,500 visitors who watched the NASCAR race on a giant screen, while many children participated in a variety of games. Visitors were randomly approached by students-research assistants and asked to participate in a study on sport licensed products. Data collection efforts produced a total of $N=127$ completed and usable questionnaires. The analysis of data included descriptive statistics, factor analysis and linear regression analysis.

Discussion of findings and implications

Respondents, who were to a large extent moderate and avid sport fans (92%), visited the farm with family (43%) or friends (35%). At least one out of three were attracted by the NASCAR-themed festivities (34%). Sixty-three percent (63%) were males and 70% were under 35 years of age. In terms of the sport licensed items they owned, study participants seemed to place great value on those items and expressed high levels of satisfaction with their purchases.

Uncovering meanings embedded in sport licensed products and incorporating them in promotional and sales campaigns can provide a significant advantage to sport marketers working to grow licensing sales. Data analysis showed that the meanings attached to sport licensed items can be conceptualized through five factors: 1) 'function/design', 2) 'connectedness with team', 3) 'locale', 4) 'personal history', and 5) 'emotions/feelings'. Analysis of means revealed that the meanings that were rated the highest by sport consumers were derived from the function/design of the sport licensed products ($M=5.44$) and the connection with the team and other fans that sport consumers experienced through these licensed products ($M=4.98$).

Furthermore, a set of linear regression analyses were performed examining the ability of those meanings of sport licensed products to predict three distinct behavioral outcomes: sport consumers' willingness to pay a price premium for the licensed products of their favorite team, the likelihood they would recommend the particular products to others, and their intention to purchase sport licensed products in the future. Results revealed the positive and significant effect of the factor 'connectedness with team' on all three dependent variables, while the factor 'function/design' was significant only in predicting consumers' intention to buy sport licensed products in the future. These findings suggest that investing in attractive and eye-catching designs that prominently feature the sport property's brand elements (e.g., name, logo and colors) can strengthen licensed product sales. Furthermore, it is important for sport marketers to appreciate the extent to which licensed products can strengthen sport consumers' affiliation and sense of belongingness with their favorite team and other team supporters, and to routinely incorporate team licensed products in all types of sales promotions (e.g., giveaways, themed promotions, price discounts) they implement.

References

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