

Fan Shop or Not? The Impact of Fan Loyalty on The Purchase Decision

Habenstein, Dominic

Ruhr-Universität Bochum, Germany

dominic.habenstein@rub.de

Aim

The relevance of merchandising sales as an important source of income for professional football clubs is uncontroversial. With earnings of 243.3 million Euro, the German Bundesliga generates about 8.2 percent of its revenues through merchandising sales. Especially the E-commerce market grows constantly. But: the clubs revenue share highly depends on the distribution channel. Sales via its own online channels bring about two times more revenue than the distribution via third-party suppliers. In fact, the club offers should be such attractive that consumers choose the official online shop as the first-choice channel. Regarding to this, the aim of this study was to examine which determinants have an impact on the decision-making process when purchasing online and how football clubs can affect the supplier selection to their own benefit.

Theoretical Background

Within the (online) purchase decision making process, consumers have to make a final choice between several retailers (Foscht & Swoboda, 2011). Following Lambertz et al. (2016), Park and Kim (2003) and Gaitzsch (2016), the main determinants that affects this decision making when purchasing online, are price-performance ratio, assortment, product availability, shipping speed, payment methods, website usability and the customer service. However, the final decision does not only depend on these tangible factors but also on psychological variables like loyalty to and trust in a retailer, as well as former experiences (Foscht & Swoboda, 2011). As relevant research has shown, sport consumers are characterized by an above average level of identification and emotional attachment that leads to an increased consumption incentive (Funk, 2016). Nevertheless, if this leads to a general competitive advantage, so that fans prefer the official online-shop instead of third-party suppliers, is mostly uninvestigated.

Methods

Therefore, a choice based conjoint analysis with 589 participants was conducted, in order to identify which determinants do have an influence on the fans selection of a supplier when purchasing merchandising products online. The aim of the study was to determine the consumers price (59 €, 69 € or 79 €), supplier (official Fan Shop or third party supplier), free added values (a fan scarf or a jersey imprint) and shipping speed (1, 3 or 5 days) preferences so as to identify how clubs can work out unique selling propositions. The participants received ten choice sets each with three jersey purchase situations and an non option. In addition, the participants were asked about their consumer behaviour and strategy when searching a supplier in e-commerce. Furthermore, the sport spectator identification scale (to figure out differences between fans with high and low loyalty) and the van Westendorp Price-Sensitivity-Meter (to determine an optimum price point) were integrated.

Results, Discussion and Implications

First findings show that the price has the highest relevance in the buying process (47 %) compared to supplier (22 %) and free added values (20 %). Less important is the delivery time having a relevance of only 11 %. This underlines the assumption that the above average identification of fans has a quiet strong impact on the supplier selection and can lead to a

competitive advantage for the clubs. The accepted price range for a jersey lies between EUR 35.00 and EUR 80.00. A price above this range is seen as too expensive and a price below this range is linked to low quality. Taking a closer look at the lower limit of the price range, there is a significant difference between the fan groups: It seems that fans with a high level of loyalty associate a cheaper price with worse quality, in contrast to the less loyal group. Due to a negative price stress you can even say that high loyalty fans accept a higher price level in club shops. All in all, the results confirm that the official online shops are in a good market position as they benefit from the loyalty of their fans. The club shop is the first source fans have a look at to get product information. Here, the clubs can charge an additional price due to loyalty of the fans and can highlight their products with added values. But nevertheless, the results of the conjoint analysis and the Price-Sensitivity-Meter show that a reduction of the current prices would be necessary to achieve a higher market share.

References

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