An Empirical Assessment of Spectator-Based Brand Equity

Stephen D. Ross, University of Minnesota
Keith C. Russell, University of Minnesota
Hyejin Bang, University of Minnesota

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While brand equity research continually suggests that a strong brand is important, the way in which brand equity is conceptualized and measured is often contested in the sport marketing literature (Gladden & Funk, 2001; Ross, 2006). In fact, few studies in the branding literature have approached brand equity from a sport perspective (Gladden et al., 1998; Gladden & Milne, 1999; Ross, 2006). Recognizing the limitations of previously suggested frameworks, Ross (2006) developed a conceptual framework for understanding spectator-based brand equity (SBBE). Ross (2006) suggested that the existing sport brand equity frameworks (e.g., Gladden et al., 1998; Gladden & Milne, 1999) relied on models derived from a manufactured goods perspective (e.g., Aaker, 1996; Keller, 1993) and were inappropriate due to the intangible, inconsistent, perishable, and experiential nature of spectator sport. Consequently, a SBBE model was introduced that recognized that the customer experience is paramount in spectator sport. The main components of the SBBE model consist of brand awareness and brand associations, the crucial elements on which consumers evaluate and choose a sport service.

Several researchers have indeed pointed out that these intrinsic characteristics of services pose particular challenges to marketers, and require an adaptation of the branding principles usually employed for physical goods (Bateson, 1995; Berry, 2002; de Chernatony & Riley, 1999; Turley & Moore, 1995; Zeithaml, Parasuraman, & Berry, 1985). Given these differences and the importance of applying a better measure to brand equity, the significance of approaching the concept from a consumer-based perspective becomes obvious. As such, the purpose of the current research is to empirically examine the spectator-based brand equity model (Ross, 2006) in order to provide a more thorough understanding of what contributes to the creation of sport brand equity.

The study was conducted with a sample of sport consumers from a National Basketball Association (NBA) team located in the Midwestern region of the United States. A mail survey was sent to a 3,200 full season ticket holders from the team during the 2004-2005 NBA regular season. Six hundred and sixty five (665) surveys were returned for a 20.7% response rate. After data screening, cleaning, and omitting outliers, 585 were deemed suitable for data analysis.

The 49-item survey was four pages in length and included demographic information, brand association measures, and items used to assess brand awareness. In order to assess the brand associations connected to the professional team of interest, the Team Brand Association Scale (TBAS) was utilized (Ross, James, & Vargas, 2006). In view of the fact that an individuals psychological connection to a team serves as a gauge for recall and recognition, eight items measuring the psychological connection with the team were used in the instrument to test the construct (James & Ross, 2002). All items in the instrument were measured on seven-point Likert-type scales with response categories anchored by Strongly Disagree (1) and Strongly Agree (7).

A confirmatory factor analysis was conducted using LISREL 8.7 to estimate the structure of the proposed 49-item, 13-construct spectator-based brand equity model. The SBBE model examined the relationship between brand associations, a second-order latent variable represented by eleven first order variables, and brand awareness which is a second-order latent variable with two first order variables. The covariance matrix from the sample was used as the input data (Hair, Anderson, Tatham, & Black, 1998).

The overall sample consisted of respondents between 40 and 50 years of age (32.35), while 26.1% of the respondents were between the ages of 18 and 30. The majority of the respondents (96.0%) were White/Caucasian; 2.1% were African-American, and 0.5% were Hispanic. The gender distribution of respondents was 17.8% female and 82.2% male. The majority of the respondents indicated they were married (76.8%), and were well educated with 31.0% having a post-college graduate degree.

T-values for scale items ranged from 13.13 to 20.99. In addition, the factor loadings ranged from .546 to .939. The individual item Cronbach’s alpha ranged from .75 to .91, while the AVE ranged from .50 to .73 with a mean AVE of .59. These results provide initial evidence for convergent validity, given that on average the 13 factors accounted for 59% of each item’s variance (Kline, 1998). In the model examined here, the &###967;2 value was statistically significant at p < .01 (df=1113). However, sample size can have a substantial effect upon the &###967;2 statistic (Hair et al., 1998; Kline, 1998). Conversely, the RMSEA,
TLI, CFI, and SRMR values all met the recommended criteria for acceptable levels. The RMSEA was well below the minimum cut-off of .08 (Steiger, 1989, 1998). Both the TLI and the CFI indicated an adequate fit of the data given that each met the recommended criteria of .90 (Kelloway, 1998; Kline, 1998). In addition, the SRMR value, a measure of the absolute fit, indicated a good fit given the value was well below the recommended .50 criterion (Kelloway, 1998). The results of the confirmatory factor analysis revealed the model achieved a reasonable fit to the data.

Utilizing the conceptual framework outlined by Ross (2006), the SBBE model was tested empirically to provide support for the model. The SBBE model was supported statistically, providing important information for researchers as well as sport management and marketing professionals. Several dimensions were particularly predictive of their respective second order latent variables; team-play characteristics (.91) and team success (.91) were strongly predictive of the brand association dimension. This supports prior research on brand image that that has concluded that the reliability of a service has a strong influence on the image of that brand (Bebko, 2000). Interestingly, social interaction (.45) and concessions (.48) were not found to be as strong in predicting brand associations. Prior research supports this finding, that interpersonal motives such as social interaction, and ancillary attributes such as concessions are not important in the psychological commitment makeup of highly vested fans (full season ticket holders) (Funk & James, 2001).

Findings from this study also provide managerial implications that can be used to better manage and market a sport brand. Specifically, the model provides sport managers with a detailed framework on which to make strategic marketing decisions. Sport managers can evaluate and develop certain strategies to determine which would be beneficial in developing brand equity. In this way, sport managers and marketers can enhance their brands by engaging in strategic activities designed to enhance the spectator experience with the offering. The two components of spectator-based brand equity can act as levers to develop the strength of the brand in the sport marketplace, and provides benefits for managers for several reasons.