Investigating the Effect of Involvement on Perceived Goodwill at an Action Sports Event

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The purpose of this study was to investigate the effects of action sports fan involvement on respondents perceived goodwill of the sponsors. More specifically, timing of sponsorship entry into the sport will be a focus. According to Meenaghan (2001), both fan involvement and goodwill are central to understanding sponsorship effectiveness. Fan involvement refers specifically to the extent to which consumers identify with, and are motivated by, their engagement and affiliation with particular leisure activities (Meenaghan, 2001, p.106). Fan involvement has been used and cited frequently in marketing and advertising literature as one of the factors that affect behavioral responses.

Goodwill is believed to represent an individual’s feelings of appreciation toward companies who sponsor their favorite activities (i.e., sports and arts) (Meenaghan, 2001). Pracejus (2004) terms goodwill as reciprocity. In doing so, Pracejus (2004) explains the relationship as follows: the sponsors support events you care about, so you should patronize the sponsors (p.185). Head (1981) argues that both sides of the sponsorship contract (event and sponsors) benefit from the relationship. Meenaghan (2001) states that goodwill ultimately differentiates sponsorship from advertising (p.100) and is the reason sponsors receive more positive feedback than companies who only advertise.

The degree of perceived goodwill is moderated by the intensity of fan involvement (Meenaghan, 1998). In sport sponsorship, companies build and share a relationship with involved fans of a certain sport or event (Meenaghan, 2001). This eventually creates goodwill for the company and leads to positive responses and behaviors from the fans. For example, Performance Research’s (1994) study of NASCAR fans revealed that 48% of NASCAR fans expressed intentions to purchase from sponsors of NASCAR. Similarly, Crimmins and Horn (1996) found that spectators expressed their support for the Olympic sponsors. However, they also continue to argue that this sense of gratitude will be only felt by the fans and not others.

Meenaghan (2001) contended that the level of perceived goodwill is contingent upon numerous factors. In order to achieve high evaluation of perceived goodwill from the event attendees, it is crucial for corporations to manage factors influencing this sentiment. From the factors mentioned in Meenaghan’s (2001) work (e.g., time and manner of exiting, level of overt sponsor commitment), we specifically focus on time of entry into the sponsorship agreement. Meenaghan (2001) suggested that time of entry into a sponsorship contract is an important managerial consideration. Sponsors who have bestowed a helping hand in the initial stages of a sporting event will benefit from their early contribution, while new sponsors may be perceived as bandwagon sponsors by highly involved fans. Companies who have been tagged as bandwagon sponsors may not reap the same benefits as existing sponsors. Thus, it is imperative to investigate and understand whether these statements are valid empirically.

The focus of this study was on the influence of action sports fan involvement and time of entry into the sponsorship contract on perceived goodwill of event sponsors. Action sports are an emerging individualistic sport genre that have shown a tremendous increase in popularity, especially with the Generation Y (Gen-Y) population (Bennett & Henson, 2001; Bennett & Lachowetz, 2004). Major corporations have become aware of this popularity and shown interest in sponsoring these types of events in hopes of communicating with and attracting this elusive demographic (Bennett & Lachowetz, 2004). The growth of action sports and the relevant literature of sponsorship effectiveness raise unique questions that warrant verification: (a) Will consumers’ levels of perceived goodwill of event sponsors vary depending on their levels of fan involvement with action sports? (b) What are the effects of time of entry into the sponsorship agreement on consumers’ levels of perceived goodwill of event sponsors?

The research took place during the inaugural Dew Action Sports Tour (DAST). Data were collected across four of the five stops, which were in Louisville (n=279), Portland (n=165), San Jose (n=265), and Orlando (n=273). Panasonic, Vans, Toyota, and Sony’s Playstation were the individual event sponsors, while Mountain Dew was the overall tour sponsor. At each stop, event attendees were asked to respond to a questionnaire regarding their involvement with action sports and perceived goodwill of event and tour sponsors. Statistical results of the research questions and conclusions and implications for the study will be presented.