Luxury Brand Positioning in Athlete Endorsement Markets: A Correspondence Analysis

Won Seok Jang, University of Florida  
Yong Jae Ko (Advisor), University of Florida  
Yong Hwan Chang, University of Florida

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Today’s professional sports have become highly commercial and media driven business; hence, athletes are among the most popular celebrities throughout the world (Jone & Schumann, 2009; Stone, Joseph, & Jones, 2003). In particular, high-profile athletes receive tremendous attention from luxury brand marketers and advertisers who seek athletes involvement in their business so as to position their brand and target their potential consumers (Crosett, 2011). However, despite the luxury market’s dramatic growth, few studies have focused on the athlete endorsement and its impact on luxury brand markets. Thus, the current study examined the role that endorsement/sponsorship plays in practice in positioning luxury brands to target a primary, niche markets in the sport context. Specifically, this study identified the types of sports that receive the most interest from luxury brands as part of their positioning strategy across different types of luxury products. For this purpose, the authors employed correspondence analysis as its positioning analysis method (c.f., Ferreira, Hall, & Bennett, 2008).

Kapferer (1997, p.253) defined luxury as “[b]eauty; it is applied to functional items.” In a similar vein, Vigneron and Johnson (1999) found that luxury products provide consumers with physical and psychological value associated with high self-esteem. McKenna (1991, p.80) argued that given the high profile of luxury products, the luxury industry epitomizes the view that “marketing is everything.” Moreover, through their qualitative study, Fionda and Moore (2008) found that luxury brand marketers use sponsorship, direct marketing, advertising, and celebrity endorsement as their communication strategy to increase brand awareness; some luxury brands (i.e., Rolex, BMW) enter the sport industry to position their brand through sponsorship, specifically through the use of high-profile athletes as endorsers (Cushnan, 2011).

In the sport sponsorship context, Ferreira et al., (2008) argued that sponsorship is an effective way to differentiate products through positioning strategy. In addition, sponsorship has been used to target specific markets through lifestyle and interests that are the most reachable and persuadable via promotional and positioning methods (Cliffe & Motion, 2005). Interestingly, several scholars suggested that sponsorship and celebrity-endorsed advertising fulfill the similar function; that is, they targets the perceived match between the product image attributes and endorser/type-of-sport/event’s image attributes, which significantly influence consumer responses (Martin, 1996; McDaniel, 1999). Furthermore, based on the notion that celebrity endorsement is a common form of the sponsorship function, it is necessary to understand athlete endorsement by using theoretical backgrounds available in sponsorship literature endorsement (Cunningham & Taylor, 1995; Gwinner, 1997). Nonetheless, when concepts of sponsorship/endorsement are applied to luxury brand marketing, it is very important for marketers to consider the target groups’ socio-demographic variables (e.g., audience age and income). Additionally, luxury brand marketers should consider the specific types of sports to effectively target and reach the desired market. The aim is to maximize the match between the luxury brand attributes with the highly affluent product users as well as the match between type of sport, luxury brand, and consumer profiles.

A correspondence analysis was conducted on samples from the luxury brand lists used in Dubios and Paternault’s (1995) study. On that list, the authors found a total of 19 luxury brands (e.g., Omega, BMW, and Hugo Boss) with 258 endorsement deals using professional athletes as endorsers. The exact number of endorsement deals was determined by checking the luxury brands’ official websites. In addition, the current study coded 19 luxury brands into three types of products (i.e., watch, automobile maker, and apparel) and 258 professional athletes based on their sports. Data were analyzed using chi-square test available in correspondence analysis. The results of correspondence analysis can be displayed graphically in a low-dimensional map on which similar objects and attributes are plotted close together and different objects and attributes are plotted relatively far away from each other (Bendixen, 1996). In the current study, chi-square analysis indicated that the value is significant ($x^2 = 118.153, \ df = 32, p <0.000$) and singular value meets the .20 criterion for establishing a significant relationship with meaningful dimensions (Hair et al., 1998).
The results showed that the professional golfers have the highest proportion of endorsement deals with luxury brands, sharing 41.6% (n = 106). The second highest sport was tennis at 29.5% (n = 76), followed by motor sports at 12.8% (n = 33). In addition, three types of luxury product categories have particular interest in athlete endorsement: apparel (47.7%, n = 123), watches (35.3%, n = 91), and automobiles (17.1%, n = 44).

The primary purpose of this study was to investigate the relationship between types of sports and luxury products that use athletes as endorsers in the sport categories. A main finding of this study suggests that luxury brands exhibit the most interest in golf and have devotedly used professional golfers as endorsers. In addition, the golf industry has a strong connection with luxury brands regardless of the type of product; the golf industry has the highest proportion of endorsement deals for all three product types (i.e., apparel, watches, and automobiles). This result is consistent with an investigation conducted by Active Marketing Group (2007), which found that more than 25% of golfers’ income is higher than $100,000; Active Marketing Group used the term “high disposable income” to describe golfers as an affluent group that is ready to spend tremendous amounts of money on cars, apparels, and travel.

Of the different types of luxury products, luxury apparel has a strong association with golf and tennis players. Dickson and Pollack (2000) found that tennis and golf players reveal their identity by carrying out their aesthetic role, such as by wearing stylish apparel. Thus, a luxury apparel brand can develop an appropriately congruent match with tennis and golf players, and the athletes’ image can be easily transferred to the luxury apparel brands. Another interesting result was that motor sports and swimming were plotted between luxury watches and automobiles. That is, motor sport players and swimmers have image attributes similar to watches and automobiles. The goals of motor sports and swimming are to compete and constantly improve upon one’s time; thus, an automobile brands might have the same image attributes and benefits as the motor sport and swimmer endorsers (Keller, 1993). Furthermore, swimming and motor sports may also have appropriate matches with the attributes of a watch (e.g., waterproof) and automobile (e.g., high-tech engine) that could increase both brand awareness and consumer attitude toward the brand.

This study contributes to both branding and sport marketing literature by examining how luxury marketers have built brands and positioned those brands through sport endorsement/sponsorship (Beverland, 2004; O’cass & Frost, 2002). In addition, this study illustrates how marketers can use athlete endorsement as a brand positioning strategy to target specific markets. Detailed results and theoretical and managerial implications will be discussed in the presentation.