Examining the Service Quality of Korean Professional Sports from Spectators’ Perspective: With Respect to Socio-demographics

Kenneth K. Chen, University of Georgia
Brian H. Yim, University of Georgia
Thomas Baker III (Advisor), University of Georgia
Kevin Byon (Advisor), University of Georgia
Chong Kim, Hanyang University

Professional sports in South Korea were established about 30 years ago along with the economic growth in the 1980's (Choi, Martin, & Park, 2008). The Korean Baseball Organization (KBO, Professional Baseball) was founded in 1982, followed by the Korean League Soccer (K-League, 1983), Korean Basketball League (KBL, 1996), and Korean Volleyball Federation (KOVO, 2005). Except the period when Korea experienced a severe financial crisis in mid and late 1990s, the popularity and economic impacts of the four professional sports have continued to grow for most of the time (Kim & Choi, 2001; Kim, Shin, & Song, 2005; Lee, 2008). However, most of these teams are still struggling financially, due, in main part, to the lack of effective marketing strategy (Kim, Yoo, & Pederson, 2007). Korean professional sport teams are merely utilized as a promotional tool of their parent companies since they are usually named after the parent companies’ brand name (Song, 2003; Yoo, 2004). This unique characteristic makes the marketing setting different from the professional sports in North America (Kim et al, 2007). As a result, teams relied heavily on the financial support from parent enterprises, but not put much marketing effort to generate sufficient revenue to pay their own bill. Previous studies have suggested that more research needs to be done to better understand spectators’ needs and wants in Korean professional sports for team administrators to create better marketing strategies (Chae & Lee, 2000; Choi, 1999; Kim, 1998; Kim & Cho, 2003).

Increasing game attendance is critical to financial success. Ticket sales are not only the major income producer for professional sport events, but are also closely related to secondary revenue sources, such as parking, concessions, game programs, and media productions (Zhang et al., 2003; Zapalac, Zhang, & Pease, 2010). Thus, it is necessary for sport administrators to identify target market and understand those variables that would affect spectator decision to attend game events (Zapalac et al., 2010). Of various game promotion variables, the concept of service quality has received much research attention, which is related to consumers’ perception on their game experience and attributes of tangible and intangible service provided by the teams (Zhang et al, 2004).

Segmenting spectators according to socio-demographics (i.e., state of being) is another commonly adopted approach to study consumers in clusters. Acknowledging the differences in consumer’s backgrounds and consumption frequencies, and grouping consumers accordingly into market segments are primary steps in the marketing process. Previous studies revealed that to a varying extent, socio-demographic backgrounds of spectators were related to their game consumption levels (Baade & Tiehen, 1990; Noll, 1991; Simmons Market Research Bureau, 2000). However, to retain current spectators and attract new consumers through targeting population segments, studying socio-demographic variables alone are inadequate and they need to be studied with other marketing variables on how they function together to elevate attendance frequencies (Williamson, Zhang, Pease, & Gaa, 2003). More vital information, such as where, why, and how this relationships exist were consistently missing in previous studies. It is necessary to examine the possibility that there are some controllable marketing variables, such as service quality factors, that mediate the relationship between socio-demographic variables and game consumption (Zhang et al., 1995; Greenwell, Fink, & Pastore, 2002). According to Mullin Hardy, and Sutton (2007), socio-demographics and psychographics are two of the most constructive segmentation approaches in sport marketing studies. Thus, understanding the relationships between socio-demographic variables and service quality factors is necessary. Yet, no study has investigated the demographic differences in service quality perception that will greatly benefit the Korean professional sport teams to make an effective marketing strategy.

The purpose of this study was to examine the service quality of Korean professional sports from spectators’ perspective with respect to socio-demographics variables. A questionnaire was formulated that contained socio-demographic variables and a 25-item Likert scale measuring different dimensions of service quality for Korean Professional Sports, which was a modified application of the Kim and Kim’s (1995) QUESC scale. The data for this
study were collected at games from the four major professional sports in South Korea during the season of 2009 and 2010. Research participants (N = 7428) were drawn from spectators attending each team’s home game (i.e., 8 teams in baseball; 15 teams in soccer; 10 teams in basketball; 7 teams in volleyball). Based on the result of factor analysis, four items were eliminated from the original 25-items scale due to poor loadings, resulting in three-factor model (Game Operation, Facility Operation, and Concession Operation). MANOVA and discriminant function analyses revealed that service quality factors were significantly related to gender (Λ = .991; p = .000), age group (Λ = .988; p = .000), marital status (Λ = .997; p = .009), education level (Λ = .984; p = .000), income level (Λ = .993; p = .000) and occupation (Λ = .985; p = .000). Regression analyses further revealed game operation was significantly (p < .05) related to age (β = .079), occupation (β = .051) and income level (β = .038); facility operation was significantly (p < .05) related to gender (β = .082), marital status (β = .103), occupation (β = .077) and education level (β = .039); concession operation was significantly (p < .05) related to age (β = .090).

These research findings indicated that when promoting Korean professional sport events, marketers need to focus on these service quality factors, particularly those variables related to game operation and facility operation. To do so, differences in consumer demands due to their socio-demographic variables should be taken into consideration in an effort to attain greater marketing effectiveness in attracting and retaining spectators. Findings of this study have also provided marketers with useful marketing information to determine target markets of Korean professional sports, analyze market situation and environment, and develop an effective marketing mix.