The Influence of Team Rivalry on Sponsorship Effectiveness

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The Korea Baseball Organization (KBO) is the professional baseball league in South Korea. Baseball is generally viewed as the most popular sport in South Korea, and thus baseball news always takes precedence over other sports in sports media. Korean baseball teams have unique ownership management system. Specifically, Korean baseball teams are owned and controlled by chaebol which is a South Korean conglomerate of many companies clustered around one parent company based on authoritarian management and centralized decision making. The teams are generally named after the companies or business conglomerates which own the teams. Due to the fact that the big corporations (chaebols) own baseball teams, business rivalry has been transferred to baseball. For example, rivalry between Samsung and LG in the electronic industry has occurred within the KBO. The rivalry encourages the LG and Samsung electronics to invest much more in sponsorship of the teams in order to financially assist the team and, further, to win the championship. The teams’ owners may hope that a positive attitude toward the team will translate into a positive attitude and further purchase intentions in regard to the team’s parent companies. On the other hand, the downside that may exist is that fans can have a negative attitude toward the rival team, which can result in a negative attitude toward the rival team’s sponsor (i.e. owner’s company).

Previous research on sponsorship using balance theory has focused on examining a triangular relationship among the fans, the team (or sporting events) and the sponsors. Findings from previous research indicated that a positive relationship between the fans and the teams (or sporting events) or the fit of the sponsors and the sporting events require a positive relationship between the fans and the team sponsor (Basil & Herr, 2006; Dalakas & Levin, 2005; Hal Dean, 2002; Parker, Brett, & Higgins, 2009). However, little research has examined provable negative effects of sponsorship caused by team rivalry on attitude toward a rival team’s sponsor and on purchase intentions toward a rival team’s sponsor’s products. Therefore, this study attempts to investigate the influence of team rivalry on attitude toward a rival team’s sponsor and intentions to purchase a product from a rival team’s sponsor, within the rivalry of LG vs. Samsung in the KBO. The KBO provides a great context for this study for a few particular reasons. First, all KBO baseball fans are aware of which business conglomerates sponsor which teams because the team name include the name of business conglomerates instead of city name (e.g., Samsung Lions). Second, LG and Samsung have been in intense rivalry in the electronics industry as well as in the Korean baseball league from both the teams’ and fans’ perspectives for decades. Third, more importantly, LG and Samsung electronics have a similar market share in the Korean electronics market. This may indicate that fans are likely to have used both brands and that there is no superiority to affect fans’ decisions to buy electronic products.

Balance theory involves the common sense of an individual’s guiding behavior and how an individual perceives and analyzes her conditions, other people, and their relations (Goldman, 1993). Within the context of sports sponsorship, since balance theory (Heider 1958) considers relations among objects that the consumer may perceive belong together, linked by association, proximity, similarity, ownership, or common fate, balance theory is therefore applicable to account for a triangular relationship: the sponsor, the sponsored sports team (or the sporting event), and the consumer. In other words, in order to maintain the balance of being connected to their favorite team, a negative relationship between a fan and a rival team may appear to result in a negative relationship between the fan and the rival team’s sponsor. Therefore, balance theory leads to the following hypothesis of this study.

H1: A negative relationship between fans and their rival team will negatively influence the relationship between the fans and their rival team’s sponsor.

In sponsorship studies, attitudes have served as an independent variable predicting purchase intentions. This hypothesis has been tested based on the theory of planned behavior in consumer behavior studies. The theory includes the attitude toward the behavior as one of the conceptually independent determinants of intention. A number of sponsorship studies examining have empirically demonstrated a significant relationship between them (Alexandris, Tsaousi, & James, 2007; Speed & Thompson, 2000; Koo et al., 2006). Thus, evidence exists for brand
attitude perceptions to impact purchase intentions in a sponsorship setting. Accordingly we propose that:

H2: A negative attitude toward the sponsoring brand for a rival team will result in lower intentions to purchase a product from a rival team’s sponsor.

Belch and Belch (2001) argued that purchase intentions are based on perceptions about attributes such as quality as well attitude toward the brand. This indicates that perceived quality should be considered an important factor affecting purchase intentions. Moreover, the importance of perceived quality derived from its beneficial impact on purchase intentions (Tsiodou, 2005). According to Tsiodou (2005), perceived quality is a global assessment characterized by a high abstraction level and refers to a specific consumption setting. Past literature has consistently found the existence of the relationship between them. However, there have been two arguments with regard to whether there is a direct effect of perceived quality on purchase intentions or a direct effect or perceived quality should be treated as an interaction effect. For this study, perceived quality of a rival team’s sponsor’s products will be used as a moderator that may compromise a relationship between attitude toward a rival’s sponsor and purchase intentions toward a rival’s sponsor’s products. We propose that:

H3: Perceived quality of a rival team’s sponsor’s products will function as a moderator compromising a negative relationship between attitudes toward a rival team’s sponsor and intentions to purchase a rival team’s sponsor’s products.

Data will be collected from individuals who attend the three-game series of the LG Twins vs. the Samsung Lions in Zamsil stadium, which is the LG’s home stadium. A survey questionnaire will be distributed to each team’s fans. Individuals included as respondents in the study will be initially contacted both at the entrance gates and as they enter the stadium. Without any mention of the research purpose, the survey assistants will approach potential respondents and ask them for their cooperation in completing a questionnaire.

Structural equation modeling (SEM) will be performed to test the proposed hypotheses. Spears and Singh’s (2004) five item scale will be utilized to measure attitude toward a rival team’s sponsor. This scale will be also modified to provide a measure of attitude toward a rival team. Purchase intention will be measured by Whitlark, Geurts, and Swenson’s (1993) scale, consisting of five levels of intention. To measure the perceived quality of a rival team’s sponsor’s products, Sweeney and Soutar’s (2001) scale will be used. These scales items will be translated into Korean with a 7-point Likert type scale. To validate the translated instrument, the instruments will be reviewed by a group of bilingual experts and forward-backward translation methods will be used.