The Effect of Team Reputation on Fan Loyalty Formation

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Reputation is a key organizational asset that determines long-term success, as the literature suggests (Walsh & Beatty, 2007). First, a well-established sport team reputation may deliver financial success to the team by attracting more spectators and sponsors. Second, reputation is an enduring intangible asset that is hard for competitors to imitate (Keh & Xie, 2009). Third, a good reputation has a positive effect on important spectator-oriented outcomes (e.g., trust and team identification; Jang, Ko, & Chan-Olmsted, 2013).

Although numerous studies have detailed the positive effects of a good reputation, several limitations exist in the previous conceptualization of the reputation construct in the sport management literature. First, no existing multidimensional reputation measurement is valid and reliable. This aspect is particularly important because each spectator can put different weight on each dimension depending on his/her economic condition, social status, and needs (Fombrun, 1996). Second, existing reputation measurements have ignored the most important stakeholder perspective—that of spectators. Therefore, to overcome these limitations, Jang et al. (2013) recently developed a spectator-based sport team reputation (SSTR) to provide more fruitful conceptual explanations of reputation from spectators’ perspective. The SSTR was defined as “the overall perception of a sport team based on spectators’ reaction to all previous interaction experience with the sport team activities”. In particular, the SSTR was defined by six dimensions: (a) spectator-orientation (SO), (b) team performance (TP), (c) financial soundness (FS), (d) management quality (MQ), (e) team social responsibility (TSR), and (f) team tradition (TT).

The purpose of this study was to examine the effects of SSTR on fan’s attitudinal and behavioral loyalty, and test the moderating role of relationship length. Based on signaling theory (e.g., Festinger, 1957), the current study proposes that SSTR should function as an informational cue to signal the high quality of infield- (e.g., TP) and outfield performance (e.g., TSR) in the minds of spectators. Therefore, a well-established reputation may lead to a greater level of loyalty. The positive effects of reputation on fan loyalty can also be explained by cognitive consistency theory (Bartikowski, Walsh, & Beatty, 2011). More specifically, either positive or negative reputation traits are stored in spectators’ memory system and subsequently spectators use these memories to make rational decisions. When positive reputation traits are stored in the memory system, spectators are likely to create a greater level of loyalty. Therefore,

H1: (a) SO, (b) TP, (c) FS, (d) MQ, (e) TSR, and (f) TT of SSTR would positively influence spectators’ attitudinal loyalty.

H2: (a) SO, (b) TP, (c) FS, (d) MQ, (e) TSR, and (f) TT of SSTR would positively influence spectators’ behavioral loyalty.

The length of time that people have spent with a brand (refers to relationship length) is considered an important moderating variable in the marketing and service literature (Raimondo, Miceli, & Costabile, 2008). In general, belief in partners gets stronger as relationship length increases because people are able to store more memories in their system over time (Garbarino & Johnson, 1999). Therefore, they create a stronger level of confidence in evaluating the partners (Raimondo et al., 2008). Likewise, spectators also build an intimate relationship with their supported team as time passes. Thus, they are less likely to rely on information cues, such as reputation, in developing loyalty toward the team. Therefore,

H3: Relationship length with a sport team moderates the relationship between SSTR and fan loyalty.

The sample for this study was five hundred consumers recruited from the national consumer panels managed by uSamp (www.usampl.com). Males made up 48% of the sample, and most participants were Caucasian (n = 314, 62.8%). Spectator-based sport team reputation was measured by 19 items that represent six dimensions (Jang et al.,
Six items were used to measure fan loyalty (attitudinal and behaviorally loyalty; Fink et al., 2003). Relationship length was measured by asking participants how long (years and months) they had been fans of their favorite team (Raimondo et al., 2008).

The overall fit of the measurement model was adequate ($\chi^2$/df ratio; 739.47/247 = 2.99, RMSEA = .06, CFI = .95, IFI = .95, and TLI = .94). All factor loadings for the indicators were significant to their respective construct ($p < .001$; SSTR ranged from .71 to .93, attitudinal loyalty from .76 to .86, and behavioral loyalty from .34 to .91). Although one item for behavioral loyalty (i.e., willingness to watch the game on television) had a relatively low loading score, the item was retained because it is deemed an important aspect of behavioral loyalty. Cronbach’s alphas of all dimensions were greater than .70 and average variance extracted (AVE) for each latent variable was greater than the recommended threshold, ranged from .55 to .76.

The result of structural equation modeling (SEM) indicated that TT ($\beta = .34$, $p < .001$), TSR ($\beta = .32$, $p < .001$), and SO ($\beta = .16$, $p < .05$) significantly affect spectators’ attitudinal loyalty, while TP ($\beta = .20$, $p < .05$) and FS ($\beta = .14$, $p < .05$) significantly influence spectators’ behavioral loyalty. Therefore, H1a, H1b, H1e, H2b, and H2c were supported. In addition, the results of multi-group SEM analysis showed that relationship length moderates the relationship between SSTR and fan loyalty (the measurement invariance test was performed before conducting the multi-group SEM analysis). Detailed information will be presented at the conference.

The results indicate that intangible aspects of SSTR (i.e., TT, TSR, and SO) had a significant impact on sport fans’ emotional attachment toward a team. In contrast, tangible aspects of SSTR (i.e., TP and FS) had a significant impact on behavioral loyalty. Furthermore, the current study also found hierarchical effects of SSTR on fan loyalty by combining various dimensions of SSTR into one whole dimension. Specifically, SSTR has greater influence on attitudinal loyalty ($\beta = .96$) than behavioral loyalty ($\beta = .73$). The presentation will be concluded with theoretical and practical implications of the study.