Antecedents and Consequences of Third Party Gratitude: A Case of Sport Sponsorship

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Well-being is of the most importance for individual and society (Seligman, 2011). However, recent statistics shows that the number of Americans getting depression treatment is all time high and continues to increase. In Korea, over 160,000 people committed suicide every year putting suicide as the most common cause of death for those under 40 in South Korea (WHO, 2011). Clearly, there is imperative societal need to improve well-being of the nations. One of the most widely assumed legitimization lie in its cherished role in improving happiness of people and community. It is widely claimed that sport is important for individuals and society because sport can make people happier. However, unfortunately, there is surprisingly little research and, therefore, little evidence to support this critical legitimization of sport. In addition, this potential of sport is underutilized in practice, as happiness is rarely the main goal of sport organizations. Even when happiness is the main goal, both researchers and practitioners have insufficient knowledge on how to achieve happiness through sport. Research on theoretical outcome of gratitude through sport sponsorship can generate valuable knowledge to fill the void.

Gratitude can be defined as a feeling of appreciation for benefits received. Gratitude is an omnipresent part of our daily lives. “Thank you” is an essential, everyday part of family dinners, trips to the store, business deals, and political negotiations. It has rich theoretical history in psychology and critical constructs for understanding human relationships. Moreover, gratitude holds a significant place in the field of positive psychology whose central purpose is to build thriving individuals, families, and communities. Previous research found that people who feel grateful more frequently are: 1) Less lonely and isolated; 2) More joyful with pleasure; 3) More helpful; and 4) More forgiving. Recently, researchers have started to emphasize the significant role of gratitude in consumer behavior context as well. Grateful customers reciprocate by giving back to business through repeat purchases, positive word of mouth, trust, and loyalty (Palmatier et al., 2006). Thus, better understanding gratitude can benefit consumers, business, and society. However, there is still lack of research and knowledge on how to foster gratitude in consumers within sport context.

Previous gratitude research only focuses on the bidirectional relationship between benefactor and direct beneficiary. However, gratitude can be generated by vicariously experiencing (observing or knowing) altruistic efforts of benefactor. This concept has valuable potential to instill grateful feelings to larger number of people more efficiently. Therefore, research is necessary to provide insight into questions about third party gratitude. Sponsorship is an ideal context for this research. Fundamental premise of sponsorship effect is that consumer will feel positively toward sponsors that provide benefit for sponsee although the consumers are merely observers of the sponsorship relationship. This is what makes sponsorship a unique and effective marketing communication tool. Previous research suggests that the differentiating aspect of sponsorship from traditional advertising is the theoretical outcome of gratitude. Moreover, when sponsor achieve this goal, all parties involved are better off. Consumer will be grateful and happier, sponsee will have necessary resources, and sponsor will be more profitable. However, there is scant research examining the premise. Kim, Smith, and James (2010) proposed and empirically examined the antecedents and consequences of third party gratitude toward sponsor with members of sport participant organization. However, it can be argued that they are more of direct beneficiaries than third party observers. Thus, the purpose of this study is to empirically examine the antecedents and consequences of third party gratitude toward sponsor with sample consisted of participants qualified as third party observers.

A total of 323 surveys were collected. After excluding six respondents with missing responses, we retained 317 usable responses in the data analysis. Items to measure Intent, Investment, Value, Purchase Intention, and Word of Mouth were adopted and modified from previous studies (Kim et al.; Zeithmal, Berry, & Parasuraman). We conducted a confirmatory factor analysis (CFA) using Mplus7. The measurement model fit the data well ($S-B \chi^2/df = 204.15/120 = 1.70$, RMSEA = .05, CFI = .99, SRMR = .05, WRMR = 1.06). All factor loadings were significant in the predicted direction (p< .001; loadings ranging from .75 to .99). All reliability coefficients were larger than .70.
ranging from .90 to .98 and all of the average variance extracted (AVE) values were greater than .50 (ranging from .78 to .95). Thus, the measures demonstrated good convergent validity and reliability. We examined the discriminant validity for each construct by performing multiple $\chi^2$ difference tests of unity between all pairs of constructs. The unconstrained model was significantly better than the constrained model in all comparisons (the smallest adjusted $\Delta S-B \chi^2$ was 226.00, $p< .001$). In addition, the AVE values for all constructs were larger than the corresponding squared inter-construct correlations, providing additional support for discriminant validity. In aggregate, the results indicated that the measures possessed adequate psychometric properties. We tested the hypothesized model using a simultaneous equations model approach. The overall fit measures of the simultaneous equations model indicate good fit of the model to the data ($S-B \chi^2/df = 204.15/120 = 1.70$, RMSEA = .05, 90% CI RMSEA [.04, .06], CFI = .99, SRMR = .05, WRMR = 1.06)). The results indicate that Intent positively affects gratitude ($\gamma = .39$, $p< .01$). Next, the results show that value positively influences gratitude ($\gamma = .31$, $p< .01$). However, investment does not have a significant effect on gratitude ($\gamma = .11$, $p = .10$). In addition, gratitude has a significant impact on word of mouth ($\beta = .37$, $p< .01$) and purchase intention ($\beta = .30$, $p< .01$). Overall, the predictors in the hypothesized model collectively explain 54 percent of variance in gratitude, 49 percent of variance in word of mouth, and 22 percent of variance in purchase intention.

Overall, the results provide support for the hypotheses suggested by theory and identified in the research model. Specifically, perceived intent and perceived value both influenced levels of consumer gratitude attributed to the sponsor. Further, these effects are moderated by magnitude of involvement; consumers that were more involved with the sponsored event were more strongly influenced by perceived intent and were less sensitive to perceptions of value. Feelings of gratitude were found to positively and significantly influence both of the observed behavioral outcomes (i.e., purchase intentions and positive word of mouth). Finally, gratitude mediated the relationship between a consumer’s perceptions of a sponsor and his/her behavioral intentions. This study contributes to the sponsorship literature by offering a theoretical account of how all significant parties involved can benefit from sponsorship. Our findings suggest that the firm can achieve various outcomes of managerial interest by generating gratitude through sponsorship. In addition, the grateful consumers can enjoy the benefits of gratitude, which includes improvements pertaining to mental, physical, and relational well-being (Watkins et al., 2003). A second significant contribution of this research is the identification and empirical validation of the determinants of gratitude toward sponsors. Finally, this research extends prior work on sponsorship, which has focused mainly on exposure and image transfer as core concepts involved in understanding the effectiveness of this form of investment. Findings from this study highlight the importance of incorporating gratitude as part of the theoretical explanation of sponsorship’s utility.