Leveraging the Olympic Game’s Brand Equity through Social Interaction and Team Identity

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In this study, authors investigated how social interaction and team identity take role in mediating the effect of perceived quality of the Olympic Games on its brand loyalty. Considering brand awareness, association, perceived quality, and loyalty as factors of consumer-based brand equity (Pappu, Quester, & Cooksey, 2007), the Olympic Game has high awareness, positive associations, and highly perceived quality (IOC, 2012). However, sport fans’ loyalty is often connected to their national teams participating in the event (Roche, 2004; van Hilcoorde, Elling, & Stokvis, 2010; Xu, 2006). In other words, experience of following their national team and athletes can be the point of attachment for fans’ loyalty to the Olympics.

We synthesized Keller’s (1993, 2001) concept of consumer-based brand equity with the imperative aspects of sport consumption. Social interaction leading to group emotions and sense of community is a way of celebrating a mega sporting event (Fairley & Tyler, 2012; Lee, Kim, Newman, & Kim, 2013; Lee, Lee, Seo, & Green, 2012). Also, such social interplay is an important element in the formation of a social identity (Ashmore, Deaux, & McLaughlin-Volpe, 2004; Stryker, 1987; Underwood, Bond, & Baer, 2001). Considering the Olympic Games as a high quality sporting event, these psychological constructs of fan behavior needs attention to reaching the ultimate goal of building a brand—increasing brand loyalty (Keller, 2001).

We deconstructed Keller’s (1993) concept of consumer-based brand equity as “the differential effect of brand knowledge on consumer response to the marketing of the brand” (p. 2). Further, Keller (2001) introduced the four steps in building consumer-based brand equity: (1) establishing proper brand identity, (2) creating appropriate brand meaning, (3) eliciting the right brand responses, and (4) forging appropriate brand relationships with customers. In the enhancement of each step, the first step depends on the salience of a brand (i.e., high awareness); the second step depends on the performance of the product and imagery of a brand; the third step depends on the customers’ personal judgment and feelings about the brand; and, based on the previous steps, the fourth step depends on the resonance (personal feeling of identification) with the brand.

Deconstructing the fan experience of the Olympic Games, social interaction takes part in how fans respond to the brand, and bonding into team identity related with forging appropriate brand relationships with customers. Thus, social interaction and team identity is in the center of the third and fourth step of building a brand (Keller, 2001), leading to brand loyalty. Personal judgment and feelings are experienced through cheering their teams and athletes together (Underwood et al., 2001) and a feeling of identification is augmented through the celebration (Tomlinson & Young, 2006). Accordingly, we tested a model to examine the causal chain of these relationships.

A total of 277 college students at a major university participated in the study. We utilized a convenience sample to enlist participants possessing a wide array of awareness of and attitudes toward the Olympic Games and the participating teams. The sample was 63.9% male and 36.1% female. The average age of the participants was 23.79 years old (SD = 3.74). A face-to-face self-administered mode was utilized for data collection. Participants were assured that individual responses would remain confidential and that they could withdraw at any time. Measures for social interaction and team identification were used from the spectator-based brand equity scale (Ross et al., 2008) and perceived quality and brand loyalty measures were used from Pappu et al.’s (2007) study. Items were conformed to a 7-point Likert-type scale anchored by 1 = strongly disagree and 7 = strongly agree.

The measurement model fit the data well ($\chi^2 = 129.825$, df = 47, CFI = .965, SRMR = .035, RMSEA = .074). All of the measures of factor loadings, reliability coefficients, and average variance extracted (AVE) values demonstrated
good convergent validity and reliability (Hair et al., 2005). Discriminant validity was examined 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. In addition, the AVE values for all constructs were larger than the corresponding squared inter-construct correlations, providing additional support for discriminant validity (Fornell & Larker 1981).

The hypothesized paths were tested using a structural equation modeling approach. Bootstrapping was used to test mediation effects with 1000 iterations (Zhao, Lynch, & Chen, 2010). The overall fit measures of the simultaneous equations model indicate good fit of the model to the data ($\chi^2 = 129.806$, df = 48, CFI = .965, SRMR = .035, RMSEA = .078). Support for all hypothesized relationships is found except for the relationship between Social Interaction and Brand Loyalty ($\gamma = .06$, p = .27). Perceived Quality positively affected Social Interaction ($\gamma = .26$, p < .001), Team Identity ($\gamma = .27$, p < .001), and Brand Loyalty ($\gamma = .33$, p < .001). Social Interaction significantly influenced Team Identity ($\gamma = .32$, p < .001) and Team Identity influenced Brand Loyalty ($\gamma = .43$, p < .001). The unique indirect effect of Team Identity on Brand Loyalty was significant ($\gamma = .12$, p < .01). Social Interaction only influenced Team Identity through both direct and indirect paths ($\gamma = .10$, p < .01). The cumulative indirect path between Perceived Quality and Brand Loyalty explained 33.80% of the total effect while the indirect path between Perceived Quality and Team Identity explained 23.65% of the total effect.

In this study, we examined the role of social interaction and team identity in leveraging brand equity through the brand building process. Based on such endeavor, this study identified the effects of social interaction and team identity in the causal chain between perceived quality and brand loyalty. Results indicated that while the direct influence of the Olympic Games’ perceived quality explained 66.20% of the variance of its brand loyalty, psychological attachment from the experience of social interaction and formation of team identification had a significant role in its construction. In addition, social interaction did not directly affect brand loyalty but significantly influenced the formation of team identity. Managers could benefit from this study to adopt a strategy of thinking globally and acting locally. While social interactions can be promoted at a national level to increase a feeling of commodity of identity, managers need to find ways to stimulate the positive associative memories into the global brand of the Olympic Games (Keller, 1993). Future research should further investigate the possible treatments. Experimental approaches to find clues from the cognitive-affect system are encouraged (Lee et al., 2013; Mischel & Shoda, 1995).