The Impact of Sport Goods' Social Responsibility on Consumers' Assessment of Perceived Value

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The retail sporting goods market continues to grow substantially, both in volume and the number of organizations competing in this market, with the sports shoe market one of the most competitive. There are many ways that sport shoe firms seek to differentiate themselves and their products, including introducing new technology (e.g., lighter materials) or sponsorship arrangements with players or clubs. One newer opportunity is the integration of corporate social responsibilities (CSR) into goods and services. Thus, CSR activities are shaping brand identities of firms that integrate them in response to consumers growing concern.

CSR is not new in sporting contexts, for example, around the world many sports codes have initiatives that give back to the community through supporting literacy, community diversity, respect for women, and other issues (Paramio-Salcines, Babiak & Walters, 2013). Sporting goods manufactures have also embraced CSR activities, although sometimes this is in response to negative publicity associated with firm or industry practices. For example, Nike introduced a range of policies setting working conditions provided by its suppliers, in response to media associated with poor contractor working conditions (Suk-Jun & Phillips, 2008). Manufacturers of soccer balls adopted standards to eliminate exploitative practices associated with using child labor (Khan, Munir & Willmott, 2007). The integration of social attributes into the sport service offering is becoming more common within professional team sport and major events. For example, Walker and Kent (2009) found that CSR initiatives of NFL teams positively influenced fan perceptions of the team’s reputation, as well as word of mouth and merchandise consumption intentions. However, limited research has been completed on how social responsibility initiatives influence overall consumer assessments of physical goods. This is despite prominent examples such as Nike’s ‘Better World’ campaign, Puma’s ‘FairTrade, African-Made, “Wilderness”’ collection and adidas’ ‘Think Pink’ campaign.

In assessing tangible sport goods, the assessment of the values of the product, as well as performance of the good are important. For example, people buying golf clubs are possibly more concerned with the club’s functional performance (at a given price point) as compared to other attributes. Thus, it is possible that there is conflict between functional value and other values. For example, early recycled photocopy paper was perceived to be inferior to ‘virgin’ photocopy paper and thus integrating CSR values negatively impacted sales and attitudes (Nichols, 1993). Other research suggests that consumers’ perceive products’ CSR values to increase the price of a good, without an equivalent increase in perceived value (Bhattacharya & Sen, 2004). Thus, when taken as a full bundle of tangible and intangible attributes (including price), CSR might inadvertently decrease consumers’ assessment of value.

Sport consumers have also been found to evaluate and assess products and services based on a number of attributes including function, image and price (Bhat & Reddy, 1998; Mohr & Webb, 2005). This will be especially important if there is any negative perception as to how CSR attributes impact on attributes such as functional performance or value. Within this study, overall value is assessed using a modified version of Sweeney and Soutar’s (2001, p. 211) four-dimensional perceived value scale, which assesses; a) emotional value - ‘affective states that a product generates’; b) social value ‘the products ability to enhance social self-concept’; c) price/value for money ‘the reduction of [the products] perceived short term and longer term costs’; and, d) performance ‘the perceived quality and expected performance of the product’.

This study seeks to examine how the integration of CSR attributes (as reflected in FairTrade® accreditation) influence consumers’ assessments of sports shoes overall value, as well as whether there is a differing influence based on the positioning of the shoes within a range (i.e., entry level and high performance). If there is a negative influence of CSR positioning on sports shoes, this would be expected to be greater for shoes that are positioned as being higher performance goods. FairTrade has been selected as it is an accreditation body that focuses on ensuring fair
treatment and conditions for workers in a firm’s supply chain. Not only does it cover a range of CSR dimensions, but it is applied to a range of product categories, including sporting equipment (e.g., soccer balls) and footwear which would include sports shoes.

Using a 2x2 experimental design the research will assess the following research questions:
1. How does the use of FairTrade® accreditation impact the perceived overall value of sports shoes?
2. Do consumers assess shoes that are positioned as being higher performance to have greater overall value than entry level shoes?
3. How does performance level interact with FairTrade® accreditation in regards to perceived value?

The study will also control for consumers; a) level of ethical orientation (adapted version of Sudbury-Riley & Kohlbacker, 2016), and; b) level of involvement in the relevant sport (as measured by behavioral engagement such as weekly time commitment or length of involvement). Data will be collected from an online panel sample (n=240) of sport consumers who have purchased sports shoes in the last 12 months. A between group analysis will examine consumer response to one of four manipulations: 1) Entry level sports shoe/no Fair Trade accreditation; 2) Entry level sports shoe/Fair Trade accreditation; 3) Premium level sports shoe/no Fair Trade accreditation; and 4) Premium level sports shoe/Fair Trade accreditation. The dependent variable will be the four dimensional perceived value scale (Sweeney & Soutar 2001). Two way ANOVAs will assess the main effects for each dependent variable (FairTrade/non FairTrade, and entry level/premium shoe).

This study is important for sport management as the majority of work in this area has focused on consumer responses to corporate social responsibility programs and initiatives. Despite this, there has not been a consideration of the potential negative impact CSR actions may have on perceived performance in regards to changes that might be perceived to impact on functional abilities of sports products. The conditions under which consumers attribute perceived value to socially responsible performance goods may be different than occurs in image transfer in areas such as sport events, team merchandising or venues. For managers, this research offers guidance on positioning products (i.e. how positioning a product via functional benefits or social responsibility may have differing impacts). Future extensions will examine how messaging and branding relevant to CSR activities can be redressed in terms of positive and negative associations for consumers.