The Importance of CSR in Professional Sports: Key Take-Aways from a Multi-Season Research Partnership with an NBA Team

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Milton Friedman once said “the only corporate social responsibility a company has is to maximize its profits” (1970). The quote reflects the mindset of some businesspeople who feel that profitability and corporate social responsibility (CSR) are conflicting business goals. Researchers across a broad array of disciplines, including sports management and marketing, have produced an impressive body of research that dispels the myth that CSR is anything other than pure altruism concluding that returns are high on the right CSR investments (Jones, 1995; Ko et al., 2014) and that organizations that focus on third generation ethics (the responsibility to society at large) can be successful (Stohl, et al., 2009).

CSR is broadly defined as a firm’s activities and status relative to its societal or stakeholder obligation (Brown and Dacin, 1997; Sen and Bhattacharya, 2001). The underlying purpose of CSR is to create social value for all stakeholders (Porter and Kramer, 2002). A large number of activities fall under the CSR umbrella, including, but not limited to, cause-related marketing, corporate giving, employee volunteering, and responsible business practices (Berger et al., 2007; Bhattacharya and Sen, 2004).

CSR initiatives are found throughout professional sports and have been identified as a “strategic imperative” for sports executives (Sheh and Babiak, 2010) with Bradish and Cronin (2009) suggesting that CSR is “one of the most important components of contemporary sport management theory and practice” (p. 696). The National Basketball Association (NBA) shares this view of CSR as evidenced by its mission and establishment of the NBA Cares program through which $270 million has been raised for charity and 4.1 million service hours have been logged (NBA, 2017).

Given a shared interest in CSR, we approached and ultimately formed a research partnership with an NBA team. The agreed upon research objectives centered on investigating how CSR initiatives impact measurable consumer outcomes and the team’s relationship with its fan base. Theory suggests that many benefits of CSR are not apparent in the short term and only come to light over time (e.g., Brammer and Millington, 2008; Wang et al., 2005). Therefore, the partnership was conceived as a multi-season endeavor. We developed an online survey instrument that measured a number of variables of interest such as CSR perceptions, CSR expectations, CSR as a motivator, CSR as a hygiene factor, trust in the team, commitment to the team, relationship quality, consumer outcomes (i.e., ticket and merchandise purchase, word of mouth, following team), and relevant demographics. The survey was distributed by the team to its ticket purchasers. This included every purchaser from season ticket holder to someone who purchased a single ticket. The survey was distributed five times over the course of four seasons (at the start and end of season 1 and at the beginning of seasons 2, 3 and 4) with n=3,685. This rich data set allowed us to conduct some longitudinal analysis in addition to multiple cross-sectional analysis to better understand the importance of CSR from the perspective of the fan base. In addition, our access to the team allowed us to overlay a qualitative component to our research by exploring the team’s thoughts on CSR. A number of key findings emerged from this research partnership.

First, the importance of integrating CSR into the mission/vision statement and objectives of the organization is reinforced. Also, CSR needs to have the support of management in order to be effective and care must be given to choosing CSR initiatives that are meaningful to the stakeholders including its fan base. The NBA team needs to be mindful of how best to leverage the CSR initiatives to maximize impact and not to over-promote resulting in the efforts being perceived as publicity stunts.
Initially, we examined the impact of CSR over the course of one season. Support was found for the positive impact of CSR on fans’ trust in and commitment to the team. This commitment, in turn, led to positive outcomes including purchasing behavior (i.e., merchandise, tickets), favorable word or mouth, and an increased likelihood to follow the team’s performance. The majority of these relationships strengthened over the course of the season.

Subsequent multi-season analyses provide additional insights into the importance of CSR. We examined fans’ CSR expectations in relation to their actual perceptions of the team’s CSR behaviors. As supported by relationship marketing (e.g., De Wulf, et al., 2001; Palmatier et al., 2006, 2009; Roberts et al. 2003) and expectation-disconfirmation theory (e.g., Oliver, 1977, 1980), when fans expect the team participate in CSR initiatives and when the team does, the relationship quality between the fan and the team improves.

We also explored the role of CSR in light of Herzberg’s motivation-hygiene theory (Herzberg 1966, 1987; Herzberg et al., 1959). CSR is shown to be bivalent in nature in that it exhibits both motivation and hygiene properties. If an NBA team engages in CSR initiatives, it can act as a satisfier and strengthen relationships with the fan base. At the same time, if CSR initiatives become part of the fan base’s expectations and the team does not deliver, a hygiene effect emerges whereby lack of CSR initiatives damages the relationships. Over multiple seasons, these relationships intensify.

While this research partnership and the research of others have shed light on the importance of CSR in professional sports, research opportunities still abound. Are these findings unique to an NBA team or can they be replicated in other professional sports settings? Much of our work utilized multiple cross-sectional samples. The importance of true longitudinal data collection is worth discussing along with the challenges of doing so. We studied individuals that had some relationship with the team. What about those individuals who are potential fans? Can CSR win them over? Lastly, what other relationships should be explored? For instance, how might level of CSR awareness be captured and integrated into future studies?