Blinded by Attachment: Examining Overconfidence in Consumer’s Risk Assessment on When to Buy Sport Event Tickets

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Deciding on when to buy sport tickets is ultimately an optimization problem that consumers face in an uncertain market environment. Consumers cognitively weigh risk largely based on two environmental cues identified in inter-temporal choice literature (Rachlin, 1989); interruption risk (not being able to attend through sellout) and opportunity cost of waiting (to search for better deals in the future) in order to find the right time to click on that purchase button.

Sport ticket purchase decision making process needs to be distinctively understood over general product purchase decision making. Sport fans often demonstrate unprecedented abundance of knowledge in their product domain and display emotional attachment to the experiential good (Dwyer, 2011). The high level of emotional attachment and identification of consumers in the sport industry is hardly found in other product or service markets. In addition, sport fans are very knowledgeable about their teams and the leagues; fans willingly follow player updates, game statistics, and share high levels of identification with their team.

However, such high involvement and knowledge about their sport teams and leagues sometimes lead fans to have ‘illusion of control’ (Langer, 1975), which refers to one’s belief that he/she can somehow influence the outcome of an uncertain situation. The effect of the overconfidence bias in one’s decision have been empirically elaborated in prediction of the game results of March Madness and Fantasy Football (Kwak et al., 2013). In this regard, we hypothesized that high involvement with the sport team will lead ticket purchasers to believe that they can find the best deal, and the mechanism behind this relationship is sport fans’ overconfidence bias.

H1: Sport fans’ level of involvement with sport teams is positively associated with their risk perception of the ticket purchase environment
H2: Relationship between involvement and risk perception will be mediated by the level of confidence

To test the study hypotheses, 640 respondents were recruited via Qualtrics. Subjects were given a ticket purchase scenario to search for the best deal possible. The vignette controlled for extraneous variables including the opponent, date, seat location, and quoted price. After the description, participants were asked to estimate the likelihood of the two theoretical constructs; Expected Ticket Availability (ETA) and Expected Lower Rate (ELR) developed by Dwyer et al (2013).

Weighted sum scores for involvement, confidence were created through EFA. A series of OLS regressions were conducted to test the study’s hypotheses regarding the effects of consumers’ involvement on their risk perception. Purchase experience and expertise were included as control variables in the mediation model. H1 was supported as involvement was a significant predictor of ETA (β = .117, p < .01) and ELR (β = .106, p < .05). H2 was partially supported because the relationship between involvement and ETA was not mediated by confidence (indirect effect = .751, CI = [-1.433, 3.129]), but the relationship between involvement and ELR was mediated by confidence (indirect effect = 2.840, CI = [.716, 5.455]).

Collectively, the mediation effect of overconfidence strengthens the idea that fans do not evaluate information cues rationally. These results warrant further discussion at the conference.