Research Papers

Effects of ambush marketing: UK consumer brand recall and attitudes to official sponsors and non-sponsors associated with the FIFA World Cup 2006 271

The mediating effect of perceived quality between extrinsic cues and perceived value in ski products 287

Official supporters clubs: the untapped potential of fan loyalty 302

Effects of atmosphere at major sports events: a perspective from environmental psychology 325
International Journal of
Sports Marketing & Sponsorship

Subscriptions
The International Journal of Sports Marketing & Sponsorship (ISSN: 1464-6668) is published quarterly. Annual subscriptions:

- Standard print: £145 US$260 €215
- Standard pdf: £115 US$205 €170
- Library/multi-site print: £495 US$885 €730
- Library/multi-site pdf: £395 US$705 €580

All prices include post and packaging

Advertising
For all subscription and advertising details contact:
Chris Hollins
International Marketing Reports
The Barn
The Street
Chilham
Canterbury
Kent CT4 8BX
United Kingdom
Tel: +44 (0) 1227 731 099
www.imrpublications.com
Email: info@imrpublications.com

Back issues
A limited stock of printed back issues is available. Contact IMR for information. Back issues in electronic format are available via the website www.imrpublications.com

Information appearing in the International Journal of Sports Marketing & Sponsorship is the sole responsibility of the contributor or advertiser concerned. Accordingly, the publisher, the editorial board, commissioning editor, reviewers and other agents acting on behalf of the publisher accept no responsibility or liability whatsoever from the consequences of any inaccurate or misleading data, opinions or statements.

© 2009 International Marketing Reports

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form by any means electronic, mechanical, photocopying, recording or otherwise without the prior written permission of International Marketing Reports Ltd.

Production Editor: Kate Targett Designer: Karen Painter
Printed and bound in the UK by Cambrian Printers

Published in Association with
New reports from IMR

Driving Business Through Sport

**Part 3: Activation & Case Studies** by Simon Rines

Full analysis of all sponsorship types and marketing disciplines, with an in-depth case study for each section.

**Part 1: European Sports Marketing Data**
**Part 2: Strategy & Research**

Price: £285 € 340 $485

Discount

**BUY ALL THREE PARTS:**
£550 € 795 $1075

Corporate Social Responsibility and Sports Sponsorship

by Steve Hemsley

Analysis of the growing importance of sport to CSR programmes: strategies, risks and benefits. The report includes expert comment and case studies from around the world.

Price: £285 € 340 $485

“**A compelling and well argued case for why business engagement in sport should be a key part of any company’s approach**”

Mallen Baker, Founding Director, Business Respect

Order now: +44 (0) 1227 731 099 info@imrpublications.com

Twenty20 Vision: The Commercial Future of Cricket

by David Smith

Analysis of the rationale, business models and impact of the Twenty20 format. The report includes the most extensive commercial cricket data ever published, with a 50-page section on sponsorship, TV rights and match attendance from around the world. Major case studies from Standard Bank and Yorkshire CCC highlight best practice among sponsors and rights holders.

Price: £285 € 340 $485

“**An excellent and comprehensive analysis of how cricket has reinvented itself and a must for anyone involved in the business of sport**”

Nigel Currie, Director, Brand Rapport
Contents

Abstracts 268
Editorial board 270
Editorial policy 345

Editorial

“Marketing agencies, sponsors and organisations such as the IOC now talk about ambush marketing or CRM as if these methods had always been prominent in sport”
Michel Desbordes, Editor 269

Research papers

Effects of ambush marketing: UK consumer brand recall and attitudes to official sponsors and non-sponsors associated with the FIFA World Cup 2006
Adam Portlock Susan Rose 271
Pre- and post-event research reveals awareness of official versus non-official marketing tactics. Ambush marketing is redefined as ‘parallel event marketing’

The mediating effect of perceived quality between extrinsic cues and perceived value in ski products
Jin-Wook Han Hyungil H. Kwon 287
Brand name and country of origin as direct and indirect influences via perceived quality on perceived value

Official supporters clubs: the untapped potential of fan loyalty
Sven Theysohn Oliver Hinz Steve Nosworthy Michael Kirchner 302
Willingness to pay and access to tickets are key reasons why supporters clubs represent an untapped revenue stream for many clubs

Effects of atmosphere at major sports events: a perspective from environmental psychology
Sebastian Uhrich Joerg Koenigstorfer 325
A framework to explore the emotions elicited by different stimuli and direct and indirect influences on behavioural outcomes, with 10 suggestions for future research

PsycINFO citation database & Social Science Citation Index

The Journal is indexed in the PsycINFO citation database www.apa.org/psycinfo and the Social Science Citation Index http://scientific.thomsonreuters.com/products/ssci

Back issues

A limited stock of printed back issues is available from IMR. Back issues in electronic format are also available from the Journal archive: www.imrpublications.com
Abstracts

Effects of ambush marketing: UK consumer brand recall and attitudes to official sponsors and non-sponsors associated with the FIFA World Cup 2006

Adam Portlock Susan Rose

This paper examines ambush marketing activities and their effects upon UK football-oriented consumers. It questions previous definitions of ambush marketing and proposes one more relevant for today. The research focuses upon the identification of 'event-connected brand recognition' achieved by sponsor versus ambush brands and the role of 'event involvement' as a driver of this. The research employs a pre- and post-event design that aims to track consumer recognition of pre-designated brands. Results give initial indications that consumers can discern differences between the two forms of activity and that high event involvement increases recognition. This paper contributes towards the debate about a change in the definition of ambush marketing against the backdrop of increasing media saturation surrounding major sporting events, and suggests that a more relevant descriptor would be 'parallel event marketing'.

Official supporters clubs: the untapped potential of fan loyalty

Sven Theysohn Oliver Hinz Steve Nosworthy Michael Kirchner

Preference analysis was conducted among supporters club members of the German national soccer team. Survey results based on 493 completed questionnaires underline the market potential of official fan loyalty programmes due to a high average willingness to pay and a general preference for cheap and easy to implement 'right of first refusal' benefits for tickets as the main supporters club feature. Adequately designed supporters clubs may present soccer clubs with a new source of income while creating opportunities to improve stadium atmosphere and security.

The mediating effect of perceived quality between extrinsic cues and perceived value in ski products

Jin-Wook Han Hyungil H. Kwon

The purpose of the study was to confirm the mediating effect of perceived quality in the relationship between two extrinsic cues (brand name and country of origin) and perceived value, previously tested by Teas and Agarwal (2000), using more rigorous statistical techniques – regression analysis and structural equation modelling (SEM) – in a sports consumption context. Data were collected from 194 members of the Korea University Ski Team Association. Based on the results, the partially mediated model was selected as the best fitting model. From a marketing perspective, ski marketers need to understand that the two extrinsic cues had direct and indirect influences through perceived quality on perceived value of the ski product.

Effects of atmosphere at major sports events: a perspective from environmental psychology

Sebastian Uhrich Joerg Koenigstorfer

This conceptual article presents a theoretical approach to understanding the atmosphere at sports stadiums. Using the environmental psychology behavioural model proposed by Mehrabian and Russell (1974), and taking into account recent findings in consumer research, a comprehensive framework is developed for investigating this atmosphere. The framework highlights the role of emotions elicited by different stimuli in sports stadiums. The paper also suggests a number of direct and indirect influences on behavioural outcomes, caused by the emotional reactions and personal predispositions of spectators – influences that are of economic relevance. The proposed framework also forms a starting point for future empirical studies.
Editorial

Academic concepts in the mainstream

It is often said that in Europe sports marketing is barely into its second decade; in North America, the discipline is more mature in terms of both business and research. What has been achieved in the past ten years is staggering: a massive expansion of the industry, more common interest between academics and practitioners, and, not least, more academic journals.

So it is worth considering how marketing agencies, sponsors and organisations such as the IOC now talk about ambush marketing or CRM as if these methods had always been prominent in sport. Many have forgotten the origin of such concepts and the great deal of research and modelling undertaken by academics to help understand the issues. Ambush marketing, for example, has been studied in numerous academic journals for more than 20 years by Tony Meenaghan, now Professor at University College Dublin and a member of our editorial board. He highlighted the problem years before it was of interest to the majority of rights holders, sponsors or marketing agencies.

I am proud, therefore, to introduce this edition of the Journal as an example of the links between academics and practitioners. The papers here focus on a range of consumption and consumer behaviour related issues. The first three develop our knowledge through empirical findings; the conceptual article that follows provides a foundation for further research.

Portlock and Rose examine whether ambush marketing is losing its relevance to consumers. They consider the development of ‘parallel event marketing’ and how this may supplant outdated notions of ambushing or guerrilla marketing. The research focuses on viewers’ consumption of a major sporting event. Interestingly, the results point to consumers knowing of, and recognising, non-official brands without negative impact on official sponsors or upon the event itself.

Consumers seek and acquire sporting goods that they believe meet a number of needs. Han and Kwon investigate the moderating effects of brand name and country of origin on the perceived value of ski products and show that consumers do place an emphasis on both these factors.

Thyesohn, Hinz, Nosworthy and Kirchner examine the potential of football clubs and federations to develop customer loyalty programmes through official supporters clubs. By studying ‘willingness to pay’, they posit that there are financial opportunities for clubs.

Uhrich and Koenigstorfer look at the potential for atmospherics to enhance the in-stadium experience and develop a series of research questions. The results could prove useful tools for practitioners in developing the consumer experience in sport.

This issue is a good example of the way the Journal should continue to develop as a peer-reviewed, internationally sourced publication, with very high quality, commercially relevant research and great diversity of research methods. Our goal is to promote and explore sports marketing through the different approaches (quantitative, qualitative, case studies) and to spread this work worldwide, always involving new academics and industry practitioners.

Professor Michel Desbordes, Editor
Email: michel.desbordes1@wanadoo.fr
Editorial board

Editor  Professor Michel Desbordes

ISC School of Management, Paris, France & University Paris Sud 11, France
Tel: +33 (0)1 69 15 61 57  Fax: +33 (0)1 69 15 62 37  Email: michel.desbordes1@wanadoo.fr

DEPUTY EDITOR
Paul Kitchin
London Metropolitan University
p.kitchin@londonmet.ac.uk

CASE STUDY EDITORS
Professor Stephen Greyser
Harvard Business School, US
sgreyser@hbs.edu
Dr Frank Pons
Université Laval, Canada
frank.pons@fsa.ulaval.ca

INTERVIEWS EDITOR
Professor David Snyder
State University of New York, US
snyderd@cortland.edu

BOOKS EDITOR
Dr John Beech
Coventry University, UK
j.beech@coventry.ac.uk

EDITORIAL PANEL
Dr John Amis
Memphis University, US
johnamis@memphis.edu
Dr Carlos Barros
Instituto Superior de Economia e Gestão, Lisbon
cbarros@iseg.ulis.pt
Dr Cheri Bradish
Brock University, Canada
chernish@brocku.ca
Dr Sue Bridgewater
Warwick Business School, UK
sue.bridgewater@wbs.ac.uk
Professor Simon Chadwick
Coventry University, UK
simon.chadwick@coventry.ac.uk
Dr Laurence Chalip
University of Texas, US
lchalip@mail.utexas.edu
Professor Daeyoun Chang
Yonsei University, South Korea
drchang@yonsei.ac.kr
Professor Bettina Cornwell
University of Queensland, Australia
b.cornwell@business.uq.edu.au
Nigel Currie
Chairman, European Sponsorship Association (ESA), UK
ncurry@brand-rapport.com
Dr Geoff Dickson
Auckland University of Technology
New Zealand
dickson@aut.ac.nz
Professor Harald Dolles
Hellbronn Business School, Germany
dolles@hh-bs.de
Svend Elkaer
Sport Marketing Network, UK
svend@simmun.com
Dr Francis Farrelly
Monash University, Australia
francis.farrelly@buseco.monash.edu.au
Nigel Gach
Sports Marketing Surveys, UK
nigelsportsmarketing@buseco.monash.edu.au
Dr Paolo Guenzi
Bocconi University, Italy
paolo.guenzi@sdbabocconi.it
Adrian Hitchen
SponsorMetrix Ltd, UK
adrian.hitchen@lineone.net
Martin Horn
DBB Needham, US
martin.horn@dbb.com
Professor Hoon Duan Huan
Nanyang Technological University, Singapore
adh@ntu.edu.sg
Professor Frank Go
Erasmus University, Netherlands
fgo@rsm.nl
Dr Jorg Henseler
Nijmegen University, Netherlands
jorg@henseler.com
Professor Thierry Lardinoit
ESSEC, France
lardinoit@essec.fr
Jamie Magraw
Sweat the Assets, UK
jamie@sweattheassets.com
Dr Heath McDonald
Deakin University, Australia
health.mcdonald@deakin.edu.au
Professor Tony Meenan
University College Dublin, Ireland
tony.meehan@ucd.ie

Charles Nixon
Cambridge Marketing Colleges
Chartered Institute of Marketing, UK
charles@marketingcollege.com
Dr Francesco Pujol
University of Navarra, Spain
fpujol@unav.es
Dr Pascale Quester
University of Adelaide, Australia
pascale.quester@adelaide.edu.au
Mike Reynolds
Sportsmatch, UK
mike@sportsmatch.co.uk
Dr André Richelieu
Laval University, Canada
andre.richelieu@fsa.ulaval.ca
Professor James Santomier
Sacred Heart University, US
santomier@shu.edu
Dr Nicola Stokburger-Sauer
University of Mannheim, Germany
sauer@bwl.uni-mannheim.de
Professor Trevor Slack
University of Alberta, Canada
trevor.slack@ualberta.ca
Professor Sten Soderman
University of Stockholm, Sweden
steno@hks.se
Dr David Stotlar
University of Northern Colorado, US
david.stotlar@unco.edu
Professor Alan Tapp
University of the West of England, UK
alan.tapp@uwe.ac.uk
Dr Linda Trenberth
Birkbeck College, University of London, UK
l.trenberth@bbk.ac.uk
Dr Des Twaiies
University of Leeds, UK
dtt@lbs.leeds.ac.uk
Ignacio Urrutia de Hoyos
IESE Business School, Spain
iurrutia@iese.edu
Professor Herbert Woratschek
University of Bayreuth, Germany
hj.woratschek@uni-bayreuth.de
Effects of ambush marketing: UK consumer brand recall and attitudes to official sponsors and non-sponsors associated with the FIFA World Cup 2006

Keywords
ambush marketing
event connected brand recognition
event sponsorship
parallel event marketing
rights owners
sports sponsorship

Abstract
This paper examines ambush marketing activities and their effects upon UK football-oriented consumers. It questions previous definitions of ambush marketing and proposes one more relevant for today. The research focuses upon the identification of 'event-connected brand recognition' achieved by sponsor versus ambush brands and the role of 'event involvement' as a driver of this. The research employs a pre- and post-event design that aims to track consumer recognition of pre-designated brands. Results give initial indications that consumers can discern differences between the two forms of activity and that high event involvement increases recognition. This paper contributes towards the debate about a change in the definition of ambush marketing against the backdrop of increasing media saturation surrounding major sporting events, and suggests that a more relevant descriptor would be 'parallel event marketing'.

Executive summary
In July 2006 the FIFA football World Cup (FWC2006) provided marketing opportunities for brands to reach a diverse international media audience. Sponsorship of such events has been the most recognised method for achieving this objective. However, increasingly many brands have been unable to secure sponsorship rights. Reasons for this include the growing demand to sponsor such events, alongside greater limitations on sponsorship opportunities because of sponsor exclusivity structures. These factors have contributed
Effects of ambush marketing

to increasing rights fees and resulted in many organisations either being priced out, being beaten by competitors in product category-exclusive structures or choosing not to compete.

Instead, brands look for alternative marketing opportunities to infer association with the event genre (e.g. football), rather than being explicitly connected to the actual event (e.g. FWC2006). This practice, sometimes known as ambush marketing, has historically aimed to confuse consumers into thinking that ambushing brands are official sponsors. In so doing they aim to benefit from event association, predominantly in terms of increased brand recognition, without paying sponsorship rights.

In this study we explore consumer reactions to such activity based on surveys of UK consumers conducted before and after FWC2006. Our aim was to find out whether consumers recognise the difference between the two forms of event marketing and to identify their reactions to ambush marketing.

Specifically, we wanted to see the effect of each approach on brand recognition and to identify which, if any, factors drive better brand recognition in connection with the event. Our findings give an indication that UK consumers are able to discriminate between the two marketing approaches and that sponsor brands do benefit from better recognition when connected with the event. Our findings suggest that a driver of this may be the consumer’s level of involvement with the event.

Introduction

During the summer of 2006, UK consumers were exposed to a wealth of football-related promotional activity centred on the FIFA World Cup in Germany (FWC2006). The event provided marketing opportunities for brands from a range of product categories, some linked to football and some not. Such a major global sports event enables major brands to access a diverse international media audience. The 15 official sponsorship partners of FWC2006 each paid approximately $40 million in rights fees alone. These fees enable sponsors to leverage their connection to the event via support marketing investment.

Certain brands that were unable to secure sponsorship chose instead to invest in alternative marketing aimed at inferring involvement with the event genre (i.e. football) rather than having an explicit connection to the actual event (i.e. FWC2006). This practice, sometimes referred to as ambush marketing, aims to suggest to consumers that ambushing brands are official sponsors, thereby capturing event association benefits without paying rights fees.

We were interested in whether today, given the level of marketing sophistication, consumers can discriminate between official sponsor brands and ambushing brands. We assumed that one way of identifying this would be to measure what we called ‘event-connected brand recognition’, that is to say, the correct identification of a brand in terms of its connection to the event (sponsor brand or ambush brand). In particular we were interested to see if sponsors still retain the added benefit of brand recognition in connection with such a high-profile event, and also to identify what the driver of such recognition might be.

This research takes the concept of ‘event-connected brand recognition’ as a measure of such discrimination and investigates the role of the consumer’s emotional involvement with the event as an influence upon this level of recognition.

Objectives

The research study set out to explore the following questions:

1. Do UK consumers recognise the difference between sponsor brands and ambush brands?

2. Do sponsoring brands gain greater levels of event-connected brand recognition compared to ambush brands among UK consumers?
3. Does emotional involvement with the event increase the likelihood of event-connected brand recognition?

4. How do consumers react to ambush marketing activities?

This study has high topical and practical significance for rights holders, event organisers, sponsors and global brands proposing to undertake marketing activity in connection with UK events such as the forthcoming 2012 London Olympics. While research into sponsor awareness, recall and consumer confusion exists (Sandler & Shani, 1989; Crimmins & Horn, 1996; Shani & Sandler, 1998; McDaniel & Kinney, 1998; Lyberger & McCarthy, 2001; Grohs et al, 2004; Seguin et al, 2005), there is limited empirical research regarding such tactics in the UK in relation to a major sporting event. This study provides insight into the UK consumer recognition of, and attitudes towards, ambush marketing activities.

Sponsorship versus ambush marketing

Meenaghan (2001, p.96) distinguishes sponsorship from other forms of promotion in terms of the effect it has upon the consumer. He states that sponsorship “engages the consumer differently by bestowing benefit on an activity (e.g. sports or arts) with which the consumer has an intense emotional relationship”. The perceived benefit bestowed upon the activity builds goodwill among the audience, who in turn view the sponsoring brand more favourably.

A number of factors have driven the adoption of sports sponsorship as a cost-effective marketing strategy. The rising popularity, globalisation and professionalism of sport have increased television and media coverage of sponsored events, and consumers are increasingly accepting of this commercialisation. Events give access to major media audiences for sponsoring brands. Secondly, increases in traditional advertising costs, media clutter, channel swapping and consumer cynicism have all served to increase the use of sponsorship as a more direct means of audience access. However, increased amounts of sponsorship may in themselves potentially devalue such sponsorship opportunities. Finally, sponsorship has allowed brands to overcome restrictive government policies such as those relating to tobacco and alcohol advertising. However, governments are extending restrictions on tobacco to include sponsorship and there may be future restrictions on alcohol, fast food and gambling brands (Meenaghan 1994, 1999; Verity, 2002; Lagae, 2005).

Ambush marketing was first evident at the 1984 Summer Olympics in Los Angeles (LA1984) when the International Olympic Committee (IOC) introduced three tiers of sponsorship (official sponsors, suppliers and licensees), along with exclusivity categories. This led to a reduction in the number of sponsors and drove up rights fees to increase overall revenue. Sandler and Shani (1989, p.11) define ambush marketing as “a planned effort by an organisation to associate itself indirectly with an event in order to gain at least some of the recognition and benefits that are associated with being an official sponsor”. Ambush marketing is stated to be a deliberately planned activity, rather than an ad hoc initiative. Furthermore, it is not just about exposure, as this could be achieved through alternative marketing strategies. The aim of ambush marketing is to “create miscomprehension in the consumer’s mind about who the sponsor is”. Meenaghan (1994, p.79) explains that ambush marketing was originally involved with “describing the activities of companies who sought to associate themselves with an event, without paying the requisite fee to the event owner”. However, the term has expanded to include a wider selection of “wholly legitimate and morally correct methods of intruding on the public consciousness surrounding an event”. Consequently, ambushers achieve event association without paying the fees, thereby lowering expected benefits for official sponsors (Meenaghan, 1994).

Ambush marketing covers many activities, which Meenaghan (1996, p.109) states are “bounded by
legal and illegal, and ethical and unethical parameters", with interpretations of boundaries differing by stakeholders' perspectives. For example, event organisers and sponsors abhor ambush marketing, with Payne (1998) considering it "unethical", while marketers such as Welsh (2002) view it as "inevitable", claiming competitors have no ethical obligation to ensure official sponsorship is successful. Crow and Hoek (2003, p.1) confirm the increase in ambush marketing, reporting that it has "paralleled the burgeoning growth of sponsorship". Meenaghan (1996) identifies five potential ambush marketing tactics (see Table 1). Of the tactics shown in Table 1, sponsorship of media coverage, particularly TV broadcasting and sub-category sponsorship, are considered most effective because they allow direct access to consumers already aware of the sponsored event. Such media coverage occurs in an apparently

<table>
<thead>
<tr>
<th>AMBUSH MARKETING TACTIC</th>
<th>BENEFITS</th>
<th>EXAMPLE / REFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPONSORING MEDIA COVERAGE</td>
<td>LEADS TO HIGHER AUDIENCE COVERAGE THAN ON-SITE EVENT AUDIENCES</td>
<td>FOOTBALL WORLD CUP 1990 ITV BROADCAST SPONSOR NATIONAL POWER ACHIEVED HIGHER SPONSOR RECOGNITION THAN 8 OF THE 10 EVENT SPONSORS (PARKER, 1991)</td>
</tr>
<tr>
<td></td>
<td>VIEWED AS THE MOST EFFECTIVE FORM OF AMBUSH MARKETING (MCKELVEY, 2006)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>NEW MEDIA (E.G. INTERNET WEBCASTS) NOW EXTENDS THIS REACH (LYBERGER &amp; MCCARTHY, 2001)</td>
<td></td>
</tr>
<tr>
<td>BRAND SUB-CATEGORY SPONSORSHIP</td>
<td>FACILITATES EXPOSURE VIA SPONSORSHIP OF NATIONAL TEAM OR LOWER-TIER EVENT SPONSORSHIP WITHIN THE EVENT</td>
<td>KODAK SPONSORSHIP OF 1984 USA OLYMPIC</td>
</tr>
<tr>
<td></td>
<td>SIGNIFICANT GROWTH IN THIS FORM OF AMBUSHING DUE TO COMPETITIVE BEHAVIOUR ON PART OF EVENT ORGANISERS (SHANI &amp; SANDLER, 1998; HOEK, 2005)</td>
<td></td>
</tr>
<tr>
<td>SPONSORSHIP OF INDIVIDUAL ATHLETES</td>
<td>CAN CAUSE CONFLICTING SPONSORSHIP RIGHTS</td>
<td>AMERICAN ATHLETE MICHAEL JOHNSON’S ATTENTION-CATCHING GOLD NIKE RUNNING SHOES WORN TO WIN GOLD MEDALS AT THE OLYMPICS 2000 WHERE REEBOK WAS THE OFFICIAL SPONSOR (CROMPTON, 2004a)</td>
</tr>
<tr>
<td>PURCHASE OF ADVERTISING IN AND AROUND THE EVENT</td>
<td>USED BY COMPETITORS OF THE SPONSOR TO CAPITALISE UPON THE THEMES OR ACTIVITIES OF THE EVENT</td>
<td>AMERICAN EXPRESS COUNTER-ATTACK TO VISA AS OFFICIAL SPONSORS OF THE 1994 LILLEHAMMER WINTER OLYMPICS, USING TAGLINE ‘IF YOU’RE TRAVELLING TO LILLEHAMMER, YOU’LL NEED A PASSPORT BUT NOT A VISA’ (STEPHENS, 2005)</td>
</tr>
<tr>
<td>PROMOTIONAL TACTICS</td>
<td>USE OF CONGRATULATORY ADVERTISING OR PROMOTIONAL ACTIVITY LINKED TO THE EVENT.</td>
<td>BRITISH SPRINTER LINFORD CHRISTIE WEARING CONTACT LENSES SHOWING HIS PERSONAL SPONSOR’S LOGO (PUMA) AT THE 1996 OLYMPICS SPONSORED BY REEBOK (SHERWOOD, 2003)</td>
</tr>
</tbody>
</table>
'official' way and therefore the consumer is less likely to detect the tactic as ambush marketing. It has been suggested that responsibility for the growth in ambush marketing and consumers' indifference to the practice rests with event organisers (Shani & Sandler, 1998). They cite Olympic Games' organisers who have failed to give consumers adequate information, while over-commercialising the event. Welsh (2002) believes that the escalating price of category-exclusive sponsorship coupled with poor packaging and presentation to potential sponsors drives the increase in ambush activity. With only one sponsor product per category, competitors must consider alternative marketing means. Given the strength of sponsored media coverage, our study focused upon the population of UK consumers who were exposed to FWC2006 television coverage (see below).

Welsh (2002) views ambush marketing as "inevitable" and refutes the notion of it being unethical or immoral. Welsh argues that sponsors only buy specific sponsorship packages and do not own all rights to the "thematic space", but purely to that one sponsored event. This leads us to consider the issue of the effect of ambush activities upon stakeholders, in particular the consumer target audience and their awareness of brands in relation to the thematic space of the event.

The authors take the view that consumers are increasingly aware and accepting of marketing activity around major events and can discriminate between official sponsors and other brands that choose to capitalise on the event. It is our view that a change in the definition of ambush marketing is called for. In contrast to the definition by Sandler and Shani (1989), we suggest that today rather than viewing an ambusher brand as aiming to deliberately gain some recognition and benefits associated with being an official sponsor when they are not, we define ambush marketing as 'promotional activity of a brand timed to coincide with a major sponsored event'.

**Consumer attitudes to ambush marketing**

Investigations into how consumers view the practice of ambush marketing are inconsistent in terms of what they tell us about how consumers feel. Work conducted by Shani and Sandler (1998) on the Atlanta Olympic Games in 1996 found consumers to be indifferent to the practice. Only half of the consumers surveyed felt that ambush marketing was unethical and a lesser number were 'annoyed' by it. Similarly, by 2001, research on American football's showpiece Super Bowl provides similar findings (Lyberger & McCarthy, 2001), with 51% of respondents agreeing with the statement that "non-sponsors should not lead consumers to believe that they are official sponsors" and only 38% believing that "associating with the Super Bowl without being an official sponsor is unethical". Jointly, these findings suggest that rights holders and sponsors should educate consumers on how to identify sponsors and the contributions that they make to the event.

However, by 2005 Seguin et al's (2005) Olympic research had found that 88% of respondents were unaware of any company trying to represent itself as an official sponsor when it was not. Furthermore, nearly 50% agreed that "it was not fair for companies to associate themselves with the Olympics without being an Olympic sponsor", 43% considered ambush marketing "unethical" and only 36% were annoyed by it. Consequently, while many respondents considered ambush marketing tactics "unacceptable, unethical and [were] confused by sponsorship clutter", they were unaware of the application. The consumer's ability to judge the ethics of ambush marketing is dependent upon their understanding and level of awareness of the practice.

**Event-connected brand recognition**

In creating our redefinition of ambush marketing as 'promotional activity of a brand timed to coincide with a major sponsored event', we have assumed that consumers can distinguish between the marketing
activities of sponsoring brands versus other brands. If this is correct then consumers would be able to recognize brands correctly in terms of their connection with the event. To test this, we utilized a metric that we called the 'level of event-connected brand recognition'. We defined 'event-connected brand recognition' as the consumer's ability to correctly classify a brand in terms of its relationship to the event (i.e. sponsor or non-sponsor/ambusher). We deem this form of recognition to be important as it is an indicator of the degree to which the consumer can identify appropriate connection or association with the event. Incorrect or misplaced classification of an ambusher brand as a sponsor brand indicates success on the part of the ambushing organisation to purport to be an official sponsor.

If our redefinition is appropriate we would expect to see consumers able to recognize brands appropriately in terms of their relationship to the event rather than being misguided to believe ambusher brands are sponsors.

Drivers of ‘event-connected brand recognition’
At the same time as measuring event-connected brand recognition, we wanted to identify what drives this recognition. The literature identifies a number of factors that influence a consumer’s awareness and recognition levels in relation to sponsorship marketing. These include event exposure (Sandler & Shani, 1989); event involvement (Meenaghan, 2001); event-sponsor fit (Grohs et al, 2004); and market prominence (Crompton, 2004a, 2004b). Given the predominance of sponsorship of media coverage as an alternative ambush marketing tactic, we were particularly interested in the role of event involvement.

‘Involvement’ as a concept was first proposed by Krugman (1965) in reference to its influence upon consumer learning in relation to television advertising. Krugman (1965) defined it as “the number of conscious ‘bridging experiences’, connections or personal references per minute that the viewer makes between his own life and the stimulus”. We view event involvement as the ‘bridging experiences’ between the consumer and the event which create personal emotional attachment. In such conditions a brand connected with the event will also benefit from the impact of event involvement.

The components that make up a consumer’s event involvement include event interest, importance and enjoyment factors (Shani & Sandler, 1998; Speed & Thompson, 2000; Meenaghan, 2001; Grohs et al,
The connection is shown diagrammatically in Figure 1. The consumer’s level of interest, enjoyment and how important it is to them are assumed to drive their emotional involvement with the event. It is proposed that this level of involvement in turn influences their likelihood to correctly recognise brands in relation to the event.

Research by Baird (1998; cited by Meenaghan, 2001) on UK consumers coinciding with FWC1998 found that higher fan involvement increased sponsor recall. Findings showed increases in correct recall of the official sponsors when event interest was high. Research by Grohs et al (2004) of the 2004 Alpine Ski Championships also recognised event involvement as positively increasing sponsor awareness. It is concluded that higher event involvement leads to higher concentration and therefore expected higher event-connected brand recognition. In designing our study we were interested in the impact of event involvement, which we assumed to be a driver or determinant of event-connected brand recognition (see Figure 1).

Research methodology

We investigated our four research questions using pre- and post-event surveys of UK consumers who were exposed to FWC2006. The research was planned such that a pre-event survey was distributed on 9 May 2006, one month before FWC2006 started and a post-event survey was distributed on 9 July 2006, immediately after FWC2006 had finished. This enabled us to capture very immediate recognition levels. The two surveys were conducted among the same sample of respondents, which ensured matched samples and reduced the probability of sampling error. Thus the research was very robust in design in order to increase validity. Requests were sent by email, with questionnaires designed and responses completed using www.surveymonkey.com. The survey was pilot tested on 30 people in April 2006 in advance of the live research.

The sample

The survey population was defined as consumers exposed to FWC2006 via UK television coverage. Given the importance of event exposure upon recognition, data was recorded regarding levels of anticipated and actual match viewing across the entire FWC2006. As high event exposure has been linked to effective recall, the sample excluded respondents who spent less than 7 days in the UK during the month-long event and respondents who did not watch any matches over the entire event. A total of 1,300 pre-event questionnaires were distributed and a 41% (529) response rate was achieved. After data cleansing, a usable sample of 429 was achieved. From the 429 post-event surveys distributed, 291 usable responses were received (68% response rate). The relatively high response rates were attributed to the level of interest in the FWC2006 event among the target population.

To provide consistency and enable valid analysis between pre-event and post-event data while still maintaining a robust sample size, the sample of 291 respondents who had completed both pre- and post-event surveys was analysed. However, it should be noted that sample sizes for discrete groups within this sample do then become relatively low (see Table 4) and caution should be used when reviewing this set of data.

Selection of survey brands

In designing the research three types of brand were defined in relation to FWC2006:

“Sponsors” were FWC2006’s 15 official sponsor brands.

“Ambushers” were brands who were not sponsors but undertook marketing activity associated with the event.

“Controls” were neither sponsor nor ambusher brands and did not attempt to associate with FWC2006.
Effects of ambush marketing

Control brands were included in order to provide a comparison benchmark for levels of awareness and to provide a reliable test of awareness of sponsors and ambushers.

At the time of the research design, we were not aware of which brands would conduct ambush activity. We anticipated ambusher activity from those brands with current England football-related marketing activity; partners of the England team and/or the English Football Association (FA), TV coverage sponsors and those with historical FWC ambush marketing experience.

Controls were selected from brands with no historical football-related marketing activity. Table 2 identifies the brands selected for inclusion in the two surveys. Consumer brands (versus B2B) were used which had relevance in the UK marketplace. The research focused on three specific product categories that were assumed to have high fit with FWC2006, namely beer, soft drinks and sports goods. Within each product category, one sponsor, two ambushers and one control brand were included. The brands selected all had strong market prominence so that ongoing levels of awareness would not disproportionately affect event-connected brand recognition of any one brand. A questionnaire was developed that was distributed via email to collect the necessary data.

During the FWC2006 event Carling, Carlsberg, Nike and Pepsi overtly conducted significant ambush marketing activity as non-sponsors. Umbro conducted limited activity around its link to the England team. The authors were not aware of any ambushing activity by Lucozade Sport.

<table>
<thead>
<tr>
<th>PRODUCT CATEGORY</th>
<th>SPONSOR</th>
<th>AMBUSHER</th>
<th>CONTROL</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEER</td>
<td>BUDWEISER: FWC2006 BEER OFFICIAL SPONSOR; LONG-STANDING FIFA SPONSOR AND ALSO ITV’S BROADCAST SPONSOR</td>
<td>CARLING: USES FOOTBALL-RELATED MARKETING; PREVIOUS SPONSOR OF ENGLISH PREMIERSHIP; SPONSORS RANGERS AND CELTIC TEAMS</td>
<td>STELLA ARTOIS: MINIMAL FOOTBALL-RELATED MARKETING; PRIMARY SPORTS MARKETING THROUGH TENNIS</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CARLSBERG: HIGH HISTORICAL FOOTBALL-RELATED MARKETING; OFFICIAL FA PARTNER AND LIVERPOOL TEAM SPONSOR</td>
<td></td>
</tr>
<tr>
<td>SOFT DRINK</td>
<td>COCA-COLA: FWC2006 SOFT DRINKS OFFICIAL SPONSOR</td>
<td>PEPSI: STRONG FOOTBALL-RELATED MARKETING BACKGROUND; USES PLAYERS SUCH AS DAVID BECKHAM; ALSO AN OFFICIAL FA PARTNER</td>
<td>RED BULL: THE BRAND TYPICALLY FOCUSES ON EXTREME SPORTS, CRICKET AND RUGBY</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LUCOZADE SPORT: HISTORICAL ASSOCIATIONS WITH FOOTBALL; USES ENGLAND PLAYERS SUCH AS MICHAEL OWEN; IS DRINKS SUPPLIER TO LIVERPOOL, CHELSEA AND ARSENAL</td>
<td></td>
</tr>
<tr>
<td>SPORTS GOODS</td>
<td>ADIDAS: FWC2006 SPORTS GOODS OFFICIAL SPONSOR; OFFICIAL KIT SPONSOR TO GERMANY, FRANCE AND ARGENTINA; ALSO PROVIDED BOOTS TO KEY PLAYERS (E.G. DAVID BECKHAM) AND SUPPLIED MATCH BALLS</td>
<td>NIKE: HIGH-PROFILE AMBUSHER OF PREVIOUS FWC AND OLYMPICS; SUPPLIES BOOTS TO MANY HIGH-PROFILE PLAYERS, INCLUDING RONALDINHO, AND TEAM SHIRTS TO BRAZIL, HOLLAND AND PORTUGAL</td>
<td>JJB SPORTS: SELECTED AS A RETAILER RATHER THAN A MANUFACTURER; HOWEVER, WITH STRONG SPORT CONNECTIONS</td>
</tr>
<tr>
<td></td>
<td></td>
<td>UMBRO: OFFICIAL FA PARTNER; KIT SUPPLIER TO ENGLAND; BOOT SUPPLIER TO MICHAEL OWEN</td>
<td></td>
</tr>
</tbody>
</table>
Results

The findings of the study are presented in relation to the four research questions. While these findings are not significant, we report them here to provide guidance to practitioners. Further, more statistically robust research is recommended to confirm these initial findings.

1. Do UK consumers recognise the difference between sponsor brands and ambush brands?

The questionnaire asked respondents to recall official sponsor brands without any prompt (unaided). Figure 2 presents unaided recall of our selected brands as official sponsors. Each of the three official sponsor brands achieved high levels of correct unaided recall, which rose following the FWC2006 event. The six ambusher brands achieved much lower levels of (incorrect) recall as sponsors. Nike as an ambusher brand achieved the highest level of incorrect recall as a sponsor at 16%. All other non-sponsor brands achieved low levels of recall as a sponsor. Figure 2 graphically indicates that little confusion existed among consumers as to the correct recognition of our three official sponsor brands. We therefore conclude that the UK consumer can recognise sponsor versus ambush brands.

2. Do sponsoring brands gain greater levels of event-connected brand recognition compared to ambush brands among UK consumers?

We measured ‘event-connected brand recognition’ by whether or not consumers could correctly categorise brands in relation to the event (i.e. sponsor, ambusher or control). Table 3 presents our selected brands in relation to how they were categorised by respondents as either sponsor, ambusher or control. The shaded columns indicate the correct categorisation that should have been achieved.

We found that a high number of respondents could correctly recognise our brands in terms of their correct connection to the FWC2006 event. Budweiser and Coca-Cola in particular achieved high levels of recognition as official sponsors, particularly post-event. On average, the three official sponsors aided brand recognition rose 8%, which is roughly aligned to the 12% increase found by Easton and Mackie (1998; cited by Lagae, 2005) for Euro 1996 sponsors. Similarly, a high proportion of respondents correctly recognised that our six ambusher brands, while associated via marketing with FWC2006, were not official sponsors. Of the ambushers, Nike was the only brand to achieve a high level of incorrect recognition as a sponsor (44% pre-event, 31% post-event). While Nike undertook major promotional activity, which could explain its confusion as an official sponsor, marketing by Umbro and Lucozade Sport was limited; as a consequence their recognition as ambushers was slightly lower.

As expected, the three control brands had low pre-event aided recognition as sponsor, of between 1% and 5%, with minimal post-event change (+/- 3%). Red Bull and Stella Artois were correctly categorised as having little association with the event. JJB Sports was seen as associating itself with the event and less of a control status, but this may reflect the difficulty in categorising a control brand within the sports goods category.

The findings presented in both Figure 2 and Table 3 suggest to us that for UK consumers, the answer to question 2 is that sponsoring brands do gain greater levels of event-connected brand recognition compared with ambush brands.

3. Does emotional involvement with the event increase the likelihood of event-connected brand recognition?

The level of event involvement of respondents was measured by asking them to rate their level of interest, enjoyment and importance for FWC2006.

Respondents were then categorised as having low, medium or high levels of involvement with FWC2006 depending on their ratings. In Table 4 we see that correct recognition for both sponsors and ambushers...
Effects of ambush marketing

FIGURE 2 Percentage of respondents unaided recall of selected brands as official FIFA World Cup 2006 sponsors

<table>
<thead>
<tr>
<th>BRAND</th>
<th>UNAIDED RECALL POST-EVENT</th>
<th>UNAIDED RECALL PRE-EVENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>COCA-COLA (0)</td>
<td>45.7%</td>
<td>55.3%</td>
</tr>
<tr>
<td>BUDWEISER (0)</td>
<td>35.7%</td>
<td></td>
</tr>
<tr>
<td>ADIDAS (0)</td>
<td>28.9%</td>
<td>43.3%</td>
</tr>
<tr>
<td>NIKE</td>
<td>16.2%</td>
<td>13.7%</td>
</tr>
<tr>
<td>CARLSBERG</td>
<td>5.2%</td>
<td>9.6%</td>
</tr>
<tr>
<td>CARLING</td>
<td>3.4%</td>
<td>2.1%</td>
</tr>
<tr>
<td>PEPSI</td>
<td>2.7%</td>
<td>6.5%</td>
</tr>
<tr>
<td>UMBRO</td>
<td>1.4%</td>
<td>2.7%</td>
</tr>
<tr>
<td>LUOCZADE SPORT</td>
<td>0.7%</td>
<td>1.7%</td>
</tr>
<tr>
<td>RED BULL</td>
<td>0.3%</td>
<td>0.3%</td>
</tr>
<tr>
<td>STELLA ARTOIS</td>
<td>0%</td>
<td>0.7%</td>
</tr>
<tr>
<td>JJB SPORTS</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

(o) Denotes FWc2006 official sponsors
increases as event involvement increases. This finding is consistent with the position of Baird (1998) and Meenaghan (2001) that higher consumer event involvement leads to higher brand recognition. It suggests that the answer to question 3 is that emotional involvement with the event does increase the likelihood of event-connected brand recognition.

4 How do consumers react to ambush marketing activities?

In looking at consumer reactions we asked consumers to rate their agreement to statements that had been used in previous studies (Shani & Sandler, 1998; Lyberger & McCarthy, 2001; Seguin et al, 2005). Table 5 presents a comparison of findings from this study in relation to the previous studies. Results differed considerably. UK consumers appear to be relatively tolerant of ambush marketing, with a low level of annoyance to it, particularly after exposure to the FWC2006 event. It may be relevant that these earlier studies were conducted primarily in the US, where cultural differences may influence consumer attitudes.

TABLE 3 Recognition of brand categories

<table>
<thead>
<tr>
<th>ACTUAL BRAND CATEGORY AS FWC2006 OFFICIAL SPONSOR, AMBUSHER OR CONTROL</th>
<th>BRAND</th>
<th>PRE-EVENT RESPONDENT BRAND CATEGORISATION (%)</th>
<th>POST-EVENT RESPONDENT BRAND CATEGORISATION (%)</th>
<th>PRE-EVENT TO POST-EVENT % CHANGE IN RESPONDENT BRAND CATEGORISATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPONSORS</td>
<td>ADIDAS</td>
<td>63</td>
<td>31</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>BUDWEISER</td>
<td>74</td>
<td>18</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>COCA-COLA</td>
<td>76</td>
<td>18</td>
<td>6</td>
</tr>
<tr>
<td>AMBUSHERS</td>
<td>CARLING</td>
<td>9</td>
<td>65</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>CARLSBERG</td>
<td>15</td>
<td>59</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>LUCOZADE SPORT</td>
<td>19</td>
<td>55</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>NIKE</td>
<td>44</td>
<td>47</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>PEPSI</td>
<td>17</td>
<td>53</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>UMBRO</td>
<td>16</td>
<td>58</td>
<td>26</td>
</tr>
<tr>
<td>CONTROLS</td>
<td>JJB SPORTS</td>
<td>1</td>
<td>55</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>RED BULL</td>
<td>5</td>
<td>27</td>
<td>68</td>
</tr>
<tr>
<td></td>
<td>STELLA ARTOIS</td>
<td>3</td>
<td>28</td>
<td>70</td>
</tr>
</tbody>
</table>

KEY

Shaded boxes highlight correct brand categorisation as official sponsor, ambusher or control that should have been achieved.

A: Respondents categorising brand as FWC2006 official sponsor.

B: Respondents categorising brand as not FWC2006 official sponsor, but brand associating itself with FWC2006 via football-related marketing / advertising (i.e. ambusher).

C: Respondents categorising brand as not associating itself with FWC2006 (i.e. control).
Effects of ambush marketing

**TABLE 4** Correct recognition of official sponsor and ambush brands by level of event involvement – post-event

<table>
<thead>
<tr>
<th>EVENT INVOLVEMENT CATEGORISATION (1 TO 5)</th>
<th>CORRECT RECOGNITION OF THE 3 SELECTED OFFICIAL SPONSOR BRANDS (MEAN)</th>
<th>CORRECT RECOGNITION OF THE 6 AMBUSHER BRANDS (MEAN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOW (MEAN &lt; 2.34) N = 22</td>
<td>1.82</td>
<td>1.77</td>
</tr>
<tr>
<td>AVERAGE (2.33 &gt; MEAN &lt; 3.67) N = 71</td>
<td>2.00</td>
<td>2.49</td>
</tr>
<tr>
<td>HIGH (MEAN &gt; 3.66) N = 198</td>
<td>2.31</td>
<td>2.98</td>
</tr>
<tr>
<td>TOTAL MEAN SCORE N = 291</td>
<td>2.20</td>
<td>2.77</td>
</tr>
</tbody>
</table>

**TABLE 5** Consumer reactions to ambush marketing activity

<table>
<thead>
<tr>
<th>RESEARCH</th>
<th>SHANI &amp; Sandler</th>
<th>LYBERGER &amp; MCCARTHY</th>
<th>SEGUIN ET AL</th>
<th>PORTLOCK &amp; ROSE (PRE-EVENT)</th>
<th>PORTLOCK &amp; ROSE (POST-EVENT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EVENT</td>
<td>OLYMPIC GAMES</td>
<td>SUPER BOWL</td>
<td>OLYMPIC GAMES</td>
<td>FIFA WORLD CUP</td>
<td>FIFA WORLD CUP</td>
</tr>
<tr>
<td>RESEARCH SAMPLE FROM</td>
<td>USA</td>
<td>USA</td>
<td>USA, FRANCE, CANADA</td>
<td>UK</td>
<td>UK</td>
</tr>
<tr>
<td>Q1: NON-SPONSORS SHOULD NOT LEAD CONSUMERS TO BELIEVE THEY ARE OFFICIAL SPONSORS OF THE OLYMPIC GAMES / SUPER BOWL / FIFA WORLD CUP</td>
<td>79% AGREED</td>
<td>51% AGREED</td>
<td>N/A</td>
<td>80% AGREED</td>
<td>66% AGREED</td>
</tr>
<tr>
<td>Q2: THE PRACTICE OF ASSOCIATING WITH THE OLYMPIC GAMES / SUPER BOWL / FIFA WORLD CUP WITHOUT BEING AN OFFICIAL SPONSOR IS UNETHICAL</td>
<td>51% AGREED</td>
<td>38% AGREED</td>
<td>43% AGREED</td>
<td>60% AGREED</td>
<td>56% AGREED</td>
</tr>
<tr>
<td>Q3: I AM ANNOYED BY COMPANIES TRYING TO ASSOCIATE THEMSELVES WITH THE OLYMPIC GAMES / SUPER BOWL / FIFA WORLD CUP WITHOUT BEING OFFICIAL SPONSORS</td>
<td>44% AGREED</td>
<td>20% AGREED</td>
<td>36% AGREED</td>
<td>27% AGREED</td>
<td>13% AGREED</td>
</tr>
</tbody>
</table>
Discussion

The findings of this study among football-oriented UK consumers give an interesting insight into their levels of recognition of sponsor versus ambush brands and their attitudes towards ambush marketing. Our study set out to identify whether sponsor brands gain greater levels of event-connected brand recognition and therefore whether value still exists in investing in sponsorship rights. Our findings indicate that sponsoring brands do achieve higher recognition than ambushers through being sponsors connected to the event. This suggests that in the UK market, the status of official sponsor does have an impact upon consumers and does yield benefits in terms of brand awareness.

The findings also suggest that our redefinition of ambush marketing is relevant. Contrary to the view of Sandler and Shani (1989), our findings do not suggest that ambusher brands “create miscomprehension in the consumer’s mind about who the sponsor is”; rather, they indicate a relatively low level of miscomprehension. Furthermore, this study shows us that consumers with high event involvement are more likely to correctly recognise the brand’s relationship to the event.

As proposed by Meenaghan (2001), consumers who have high event involvement and therefore an intense emotional relationship with the nature of the event appear to recognise sponsoring brands to a higher degree than those with lower involvement. This effect may be due to level of exposure – i.e. those who are very involved also watch more of the event – but it may also be due to the higher level of emotional attachment that is then transferred to the sponsoring brand(s). Baird (1998) found that higher levels of involvement increased sponsor recall, and our findings now indicate that greater involvement also leads to increased recognition of the role of non-sponsor brands in relation to the event.

Managerial implications

As outlined below, our research has managerial implications for the three primary stakeholders, namely potential sponsor brands, rights holders and potential ambush marketing brands.

Potential sponsor brands

Our findings suggest that there is still strong advantage to be derived for leading brands in the UK from investment in sponsorship rights around leading sports events such as FWC2006. We form this view given the higher levels of brand recognition of event connection we recorded for sponsor brands. Sponsorship would appear to be most successful when there is a strong level of involvement between the audience and the event that can be transferred to the brand. This suggests that organisations need to invest in sponsorship rights for events with close associations between their brand and the nature of the event. To achieve this, potential sponsoring brands need more research to identify where their targeted segments have high event involvement (high levels of event interest, enjoyment and importance) and then invest in the rights for those events.

Higher brand recognition for sponsor brands is ultimately not valuable unless translated into brand preference and future sales. Therefore sponsorship needs to form part of a strategic marketing campaign that creates elements that build event involvement, i.e. interest, enjoyment and importance, utilising traditional and new media channels.

To maintain the value of sponsorship rights, sponsors and rights holders must take responsibility for educating consumers about who the sponsors are and the contribution that they make towards the event. This should cover simplistic financial support, but also any product, commercial and logistical services provided. We suggest that sponsors and rights holders should position the sponsorship so that it generates benefits for the organisation in terms of corporate social responsibility and ensure that sponsoring brands derive the recognition for adding...
value to events which the highly involved consumer views as interesting, enjoyable and important.

Finally, sponsor brands can protect themselves against illegal non-sponsor activity through legal action if, for example, non-sponsors use restricted trademarks or make false claims to be official event sponsors. It should be noted, however, that the dilution of the sponsorship benefit for sponsoring brand and the benefit for the non-sponsor brand through ambush marketing activity may outweigh the financial benefit and costs of legal action.

Rights holders
Rights holders must develop sponsorship packages and protect sponsors’ rights to ensure official event sponsorship is more attractive to brands than peripheral ambush marketing activities. If this does not happen and official sponsorship fails to provide effective value compared with ambush marketing, funding for future events may not be forthcoming, which may jeopardise the sustainability and development of global sports events, leaving rights holders, sponsors, consumers and, most importantly, sport short-changed.

Rights holders must first acknowledge that consumers are not annoyed by ambush activity. Consequently, rights holders need to offer more to sponsors to counteract the fact that non-sponsoring brands can still gain benefit from event association through parallel timed marketing activity. Furthermore, they must work with sponsors to engage consumers and communicate the value that sponsors add. This will be more effective when sponsorship agreements are long-term or multi-event partnerships, rather than one-off event sponsorship.

A more simplistic sponsorship structure, with fewer sponsors and sponsorship categories, will help reduce sponsorship clutter and aid consumer understanding and awareness. FIFA has partially adopted this tactic by reducing from the 15 sponsors of FWC2006. However, FIFA now has 6 partners, 4 sponsors and 2 national supporters for FWC2010, which causes further consumer confusion regarding definition, differences and the relative value added by partners, sponsors and national supporters.

Rights holders can deter ambushing activity and preserve their rights value by identifying ambush opportunities and trying to eliminate them through more sophisticated and tighter legislation (Meenaghan, 1996). This is happening with the London 2012 Bill, which bans non IOC sponsors from using unauthorised word associations such as ‘Games’, ‘2012’ and ‘Twelve Twelve’, alongside combinations of the words ‘gold’, ‘silver’, ‘bronze’, ‘London’, ‘medals’, ‘sponsors’ and ‘summer’ (Dore, 2006; Collett & Johnson, 2006). Such legislation will reduce ambush opportunities while still allowing legitimate promotional activity. This must, however, become the norm rather than the exception, as ethical debate will never eliminate ambush marketing activity.

By undertaking these actions, consumers may become more aware of how crucial sponsorship support is for the sustainability of the events that they value. As a consequence, consumers might begin to actively demonstrate their annoyance and disapproval of ambush marketing brands through changes in brand preference and purchase patterns. This would evolve over the long-term, however, with the multitude of events, sponsorship categories, media coverage and ambushing activities offsetting one another. This may potentially further confuse consumers.

Potential ambush marketing brands/non-sponsors
Our research suggests that the term ‘ambush marketing’ is now redundant and should be replaced by the concept of ‘parallel event marketing activity’. Our findings indicate that this form of marketing activity is socially acceptable to UK consumers as long as non-sponsors adhere to legal limitations on the use of event logos, restricted keywords and false statements of direct event sponsorship involvement.

Since there appears to be limited negative brand impact with consumers for non-sponsors who utilise parallel event marketing, non-sponsors can be overt regarding their relationship to the event. It is, of course, more likely that there will be event association within their parallel marketing campaigns in order to
gain maximum benefit from the targeted segment. While parallel event marketing is likely to be cheaper than investing in rights fees for major events, non-sponsors still need to evaluate relative return on investment of the two options. Furthermore, as with event sponsors, it is equally important for non-sponsors to invest in research to accurately identify that their targeted segments have high event involvement and that their brand has similar attributes to event.

**Limitations**

The key restriction is that the findings are not currently significant and therefore provide only initial indications of consumer responses. Further statistically robust research to confirm these findings is recommended.

Certain limitations exist regarding the sample. First, as noted above, the sample is relatively small, particularly when looking at sub-groups, and therefore caution is recommended when reviewing the corresponding data analysis. The surveys were distributed using e-mail and web-based tools, thereby excluding non-IT-literate consumers. This may have created bias in the sample profile in terms of inclusion of relevant consumers. The nature of the data collection methodology meant that a researcher was not present during completion of the questionnaire, which could have allowed respondents to have access to external stimulation for unaided recall, rather than answering face-to-face from ‘top-of-mind’ (i.e. they could have looked at the television).

The research study is based on a football-related major event; therefore findings are not necessarily generalisable to less global or non-sports related events. The study was only conducted among UK consumers and market-prominent global brands. Comparative research could be conducted across different geographic areas to investigate how results vary by nation and the impact upon event involvement of the performance of the nation’s national side (i.e. first-round elimination versus tournament winners).

**Conclusions**

This study provides useful insight for practitioners into current UK responses to sponsor versus ambush brands and their activities surrounding a major sporting event. The results add to current thinking on the practice of ambush marketing and particularly shed light upon the UK consumer. Given the opportunities for brands to reach audiences today via a range of new media (including podcasts, website activity, interactive TV etc.), it is relevant to understand and monitor shifts in consumer responses to these forms of brand promotion. The study suggests that timed marketing activity is most effective when a high level of connection exists between the brand and the consumer’s involvement with the event. Furthermore, while consumers are aware of ambush activity and may consider the practice unethical, they do not appear to be annoyed by it and it does not negatively affect non-sponsor brands.

Given these initial findings, we conclude that a review is required of the definition of ambush marketing given that consumers have an increasingly sophisticated understanding of marketing-associated with major sports events, and that the activity should subsequently be referred to as parallel event marketing.

© 2009 International Marketing Reports

**Biographies**

Adam Portlock is an experienced industry practitioner across sales, marketing and supply chain management functions. Following 12 years international experience in the aerospace sector and completion of his marketing-focused MBA at Henley Business School, Adam transferred into agency life and currently holds a senior commercial role with digital marketing agency Reading Room Ltd. His interests include digital marketing, sponsorship, ambush marketing, brand and the sports industry.
Susan Rose is an Associate Professor at Henley Business School, where she is responsible for the management of the MBA programmes in the UK and overseas. She also teaches strategic marketing and branding across MBA and MSc programmes, having spent many years in marketing management and agency roles prior to entering the academic world. Her research interests include brand and reputation management, online consumer behaviour, internet marketing and customer management.

References

The mediating effect of perceived quality between extrinsic cues and perceived value in ski products

Keywords
extrinsic cues
perceived quality
perceived value
ski products

Abstract
The purpose of the study was to confirm the mediating effect of perceived quality in the relationship between two extrinsic cues (brand name and country of origin) and perceived value previously tested by Teas and Agarwal (2000) using more rigorous statistical techniques – regression analysis and structural equation modelling (SEM) – in a sports consumption context. Data were collected from 194 members of the Korea University Ski Team Association. Based on the results, the partially mediated model was selected as the best fitting model. From a marketing perspective, ski marketers need to understand that the two extrinsic cues had direct and indirect influences through perceived quality on perceived value of the ski product.

Executive summary
Considering that higher levels of perceived value lead to higher levels of consumer satisfaction and, in turn, greater levels of consumer purchase intention, many marketers have turned their attention to delivering superior value to consumers. Given the importance of consumers’ perceived value in marketing practice, researchers have made an effort to find possible antecedents that determine consumers’ perceived value. Among those antecedents, extrinsic cues and perceived quality have received most attention from marketing researchers as determinants of perceived value. Furthermore, based on the idea that perceived quality may mediate the relationship between extrinsic cues and perceived value, researchers have been interested in examining a mediating role of perceived quality.

Although Teas and Agarwal (2000) tested the aforementioned mediating effect, they provided limited
Perceived value in ski products

The purpose of the study is to confirm the mediating effect of perceived quality in the relationship between two extrinsic cues (brand name and country of origin) and perceived value, previously tested by Teas and Agarwal, using the more rigorous statistical techniques of regression analysis and structural equation modelling (SEM) in a sports consumption context. Data were collected from 194 members of the Korea University Ski Team Association.

The results confirmed the work of Teas and Agarwal (2000): perceived quality of the ski product partially mediated the relationship between country of origin and brand name and perceived value. However, this study adds a couple of interesting findings to the existing literature.

First, compared to the products used in research by Agarwal and Teas (2001; a wristwatch and a calculator), much more variance in perceived quality in ski products was determined by its country of origin. This may stem from the fact that not many countries are known to manufacture ski products. In addition, this implies that ski users have a clear knowledge and preference in relation to the country of origin of ski products. Brand name was also found to explain a significant amount of variance in perceived quality of a ski product.

Second, the two extrinsic cues of country of origin and brand name also explained a fair amount of variance in perceived value directly, without the mediation of perceived quality. This implied that the sports consumers utilised the two extrinsic cues to form a collective perceived quality of a product and, at the same time, used the extrinsic cues as additional determinants of perceived value, on top of price.

In conclusion, ski marketers need to understand the importance of country of origin and brand name in marketing ski products. The two extrinsic cues not only determine the perceived quality but also determine the perceived value of the ski product. Once marketers find out the country of origin and brand name that consumers prefer, they may want to emphasise these extrinsic cues in advertising and other promotional plans such as point of purchase promotions.

Introduction

The concept of perceived value has been considered one of the most important indicators for gaining a competitive edge in the field of marketing (Parasuraman, 1997). Many researchers have empirically confirmed the idea that consumers' perceived value directly or indirectly influences their satisfaction and purchase decisions. Bojanic (1996) proposed that high levels of perceived value result in higher levels of consumer satisfaction and, ultimately, in purchase intention. Petrick et al (1999) also examined the relationship between golfers' perceived value of a resort and their intention for repeat visits, and found that the perceived value explained a unique portion of variance in the golfers' intentions to revisit.

Given the importance of consumers' perceived value in marketing practice, researchers have made an effort to find possible antecedents that determine consumers' perceived value (Dodds et al, 1991; Snoj et al, 2004; Teas & Agarwal, 2000). Among those antecedents, extrinsic cues and perceived quality have received most attention among marketing researchers as determinants of perceived value. Dodds et al (1991) examined the effects of three extrinsic cues (price, brand name and store name) on consumers' perceived value, and found that the price failed to significantly mediate the relationship between the extrinsic cues and perceived quality. The mediation effect was found to be significant only for perceived quality, suggesting that extrinsic cues may influence perceived quality but not perceived value directly.
of a product had a negative relationship with perceived value, whereas brand name and store name had a positive relationship with perceived value. Snoj et al. (2004) examined the relationship between perceived quality and perceived value with a sample drawn from Slovenia. They found a statistically significant and positive relationship between perceived quality and perceived value.

Unlike the two studies discussed above, Teas and Agarwal (2000) examined different categories of extrinsic cues and perceived quality as determinants of perceived value for two product categories, a calculator and a wristwatch. They examined the mediating role of perceived quality between the extrinsic cues (price, brand name, store name and country of origin) and the perceived value by an experimental design using ANOVA and ANCOVA. The results of the study mainly bolstered their proposal that the linkages between the four extrinsic cues and perceived values are mediated by perceived quality.

However, it should be noted that there are methodological concerns regarding examination of the mediating effect using ANOVA and ANCOVA. Fiske et al. (1982) argued that one of the fundamental assumptions of ANCOVA is that a covariate (mediator) should not be influenced by an independent variable. This assumption flatly contradicts the condition of mediation in which an independent variable must affect the mediator (Baron & Kenny, 1986). Since Teas and Agarwal (2000) tested the mediating effect of the perceived quality in the relationship between four extrinsic cues and perceived value, violating the basic assumption of ANCOVA, the uncovered results of their work needs to be reconsidered and re-tested using more properly analytical methods.

Regression analysis has some benefits over ANCOVA in that regression analysis can test the hypothesised relationship between an independent variable and a dependent variable and can assess the effect of the mediator on the relationship between the independent variable and the dependent variable. However, regression analysis does not allow the researcher to assess measurement error and psychometric properties of the scales, including convergent and discriminant validity for a latent construct, due to the use of the summated scale.

SEM may be an alternative towards solving the aforementioned problems. The advantages of SEM are that researchers can specify the measurement error and psychometric properties as well as directly compare nested models with a competing model strategy.

Use of both regression analysis and SEM in a complementary manner may give researchers greater confidence in revealing the mediating effect of perceived quality in the relationship between extrinsic cues and perceived value. Therefore, the purpose of the study was to extend the work of Teas and Agarwal (2000) by testing the mediating role of perceived quality in the relationship between extrinsic cues and perceived value with the more rigorous statistical techniques of regression analysis and SEM.

In conducting SEM analysis, the competing model strategy was employed to compare three models: a direct effect model, a partially mediated model and a fully mediated model (see Figure 1). From a marketing perspective, the results of this study may give marketers an opportunity to examine the relative contribution of extrinsic cues and perceived quality to predicting perceived value among consumers.

Description of constructs

Extrinsic cues

In general, consumers are known to employ an array of information cues or attributes of products in evaluating a product (Lee & Lou, 1995). According to Lee and Lou, a number of consumer behaviour studies have focused on examining what kind of information cues could impact upon consumer evaluation of a product. Olson (1977) divided product information cues into two categories: intrinsic and extrinsic. He defined intrinsic cues as physical characteristics of a product that are inseparable from the product, such as...
Perceived value in ski products

FIGURE 1 Three different models: direct effect model, partially mediated model and fully mediated model

MODEL A: DIRECT EFFECT MODEL

BRAND NAME

COUNTRY OF ORIGIN

PERCEIVED QUALITY

PERCEIVED VALUE

MODEL B: PARTIALLY MEDIATED MODEL

BRAND NAME

COUNTRY OF ORIGIN

PERCEIVED QUALITY

PERCEIVED VALUE

MODEL C: FULLY MEDIATED MODEL

BRAND NAME

COUNTRY OF ORIGIN

PERCEIVED QUALITY

PERCEIVED VALUE
design or colour; the extrinsic cue was defined as a product-related, but not physical, component of the product, such as the price, brand name and country of origin.

Lee and Lou (1995) maintained that extrinsic cues have a tendency to be more general and applicable to a variety of product categories. Zeithaml (1988, p.7) also argued: “Specific and concrete intrinsic attributes differ widely across products.” For example, fuel mileage can only be used to evaluate a car. But fuel mileage cannot be applied to evaluation of a computer; only of an automobile. However, extrinsic cues such as price and brand name can be used to evaluate products across all categories – both a car and a computer. Consequently, consumers are likely to rely more on extrinsic cues in estimating performance of the product (Bearden & Shimp, 1982). In particular, when a consumer first encounters a new product, s/he more often than not does not know the intrinsic value of the new product and bases his/her purchase decision upon the already known extrinsic cues of the product such as brand and store name, price or country of origin.

Most studies associated with extrinsic cues have focused on examining their impact on perceived quality and perceived value (e.g. Agarwal & Teas, 2001; Dodds et al., 1991; Teas & Agarwal, 2000; Zeithaml, 1988). However, various extrinsic cues incorporated in previous literature on perceived quality and perceived value, price, brand name, store name and country of origin have been commonly cited in many studies (e.g. Agarwal & Teas, 2001; Lee & Lou, 1995; Miyazaki et al, 2005; Teas & Agarwal, 2000). Among the four extrinsic cues, this study incorporated brand name and country of origin as two extrinsic cues in examining their relationship with perceived quality and perceived value.

According to Bettman and Park (1980), if consumers are familiar with a certain product category, they may have a tendency to rely more on brand names in their evaluation process. Considering the characteristic of the target population, who are currently collegiate skiers, it is strongly expected that they have sufficient knowledge about ski products. Therefore, it seems reasonable to include brand name as an extrinsic cue in this study.

In the meantime, as free trade between countries has increased, the volume of imports and exports has also been tremendously augmented. Therefore, there is a need for marketers to understand the effect of country of origin on consumers’ product evaluations. Wall et al (1991) maintained that the more industrialised a country, the more important is this information because of the high import rate of manufactured products and the increase in the number of trading countries. Therefore, country of origin was included in this study as another extrinsic cue.

Although price has been incorporated in many studies (e.g. Dodds et al, 1991; Grewal et al, 1998) as one of the possible extrinsic cues, it has shown inconsistent results in previous studies. Grewal et al found that price did not have a statistically significant impact on perceived brand quality. The work of Dodds et al also indicated that when price is presented with other extrinsic cues, consumers are less likely to rely on price in assessing quality. Thus, price was not incorporated as a possible extrinsic cue in this study.

Store name was also excluded from our investigation based on the work of Teas and Agarwal (2000). They tested the effect of four extrinsic cues – price, brand name, store name and country of origin – on consumers’ perceptions of quality and found that all extrinsic cues except store name had significant positive relationships with perceived quality.

**Perceived quality**

Olshavsky (1985) viewed quality as a form of overall evaluation of a product. In the extension of this definition, Zeithaml (1988, p.3) defined perceived quality as “consumers’ judgment about a product's overall excellence or superiority”. Zeithaml maintained that perceived quality has four characteristics in general. First, Zeithaml addressed that there should be a clear difference between perceived quality and objective quality. Objective quality is defined as
tangible superiority on some predetermined ideal standards. However, based on the idea that all quality evaluations are subjective, there has been continuous debate as to what the ideal standards should be. In addition, the standards or attributes of objective quality are based on what managers rather than consumers perceive to be important. Therefore, Zeithaml argued that perceived quality should be a similar concept to the user-based approach and should be different from objective quality.

Second, Zeithaml (1988) argued that perceived quality was formed in terms of complex levels of abstraction rather than bringing an attribute. She maintained that consumers retain product information in memory at various levels of abstraction, ranging from simple product attributes to complex personal values. Olson and Reynolds (1983) also argued that perceived quality should be considered as an abstract and complicated structure.

Third, in line with Olshavsky’s (1985) view of quality as a form of overall evaluation of a product, Zeithaml (1988) considered consumers’ perceived quality as global evaluation of a product, similar in some way to attitude. Holbrook and Corfman (1985) also maintained that quality should be regarded as a relatively global value judgment.

Fourth, Zeithaml (1988) argued that consumers’ evaluation of quality should be made within the consumers’ evoked set, which included products that were viewed as substitutes by consumers. Consumers determine the relative excellence of a product after comparing those substitutes.

Perceived value
Zeithaml (1988) identified four perspectives of consumers’ perceived value as follows:

(1) value is low price
(2) value is whatever one wants in a product
(3) value is the quality that the consumer receives for the price paid
(4) value is what the consumer gets for what they give.

Among those four perspectives, the last definition has been a focal interest for most marketing studies of perceived values (Heinonen, 2004). Zeithaml (1988, p.14) viewed perceived value as a “consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given”. In line with Zeithaml, Caruna et al (2000) argued that consumers’ perceived value comes from evaluating services or products from two perspectives: received and given. In other words, perceived value comes from a trade-off between perceived benefits and perceived costs (Dodds & Monroe, 1985). For example, if a consumer feels that s/he received more benefits in comparison with what s/he gave, the consumer should perceive a high value from a product or a service. The perceived costs may include monetary payments and non-monetary sacrifices such as time consumption or energy consumption.

With the notion that perceived value is a strong driver of all marketing activities, many researchers have found that consumers’ perceived value directly and significantly influences their buying intentions (Bojanic, 1996; Dodds et al, 1991; Teas & Agarwal, 2000). For example, Bojanic explained the relationships between perceived value, price, quality and satisfaction, and noted that price and quality should determine perceived value and, in turn, perceived value should be correlated positively with satisfaction.

Relationships between extrinsic cues, perceived quality and value

Model A: direct effect model
The direct effect model assumes that two extrinsic cues (brand name and country of origin) and perceived quality each have a direct relationship with perceived value, but they are independent of each other. This model does not hypothesise any hierarchical relationship between the two extrinsic cues and perceived quality, and does not test any mediation. The model was included to see if a
direct effect model without any mediation fitted the data better than any of the mediated models.

Zeithaml (1988) conceptually supported the direct relationship between extrinsic cues and perceived value in her exploratory study. She indicated that most respondents relied on extrinsic cues in expressing their perceived value. She also argued that this phenomenon was accounted for by Langer's (1978) notion of mildness in that most respondents purchased beverages without complex processing of available information. In other words, consumers repeatedly purchased a brand they trusted or consumed using extrinsic cues to simplify their choice process.

Even though Zeithaml (1988) conceptually supported the direct relationship between extrinsic cues and perceived value, there had been no empirical study to examine the relationship between brand name and perceived value (Dodds et al., 1991). Grewal et al. (1998) tested indirect effect of brand name on perceived value with the standardised path coefficient of .402. Dodds et al. also hypothesised an indirect relationship between brand name and perceived value and found that when perceptions of brand name were more favourable, consumers' perceptions of value were greater.

In addition, many studies have conceptually argued that a product's country of origin can have an influence on consumers' evaluative judgments of the product (e.g., Peterson & Joilbert, 1995; Verlegh & Steenkamp; 1999). Consumers have a tendency to evaluate products more favourably when the products originate from or are made in countries of which consumers have a positive image or perception. Even though Steenkamp and Geyskens (2006) recently argued that country characteristics including rule of law, national identity and individualism had a significant impact on consumers' perceived value of websites, there has been a dearth of studies testing their relationship. Therefore, the two direct paths from brand name and country of origin to perceived value were empirically tested in this study.

Many researchers have examined the relationship between perceived quality and perceived value (e.g., Dodds et al., 1991; Grewal et al., 1998; Snoj et al., 2004; Teas & Agarwal, 2000). Snoj et al tested a hypothesised model examining the relationships between perceived quality, perceived risk and perceived product value, and found that there was a statistically significant relationship between perceived quality and perceived value. The direct path coefficient from perceived quality and perceived value was .316. Previous literature has consistently reported a strong relationship.

Model B: partially mediated model
In the partially mediated model, it was hypothesised that two extrinsic cues (brand name and country of origin) should have a direct impact on perceived value and indirect impact through perceived quality as well. The difference between the direct effect model and partially mediated model is that a relationship between two extrinsic cues and perceived quality must exist.

Mazursky and Jacoby (1985) supported the direct relationship between extrinsic cues and perceived quality. They revealed that subjects in their study selected brand name more frequently than any other information as a signal for quality. Lee and Lou (1995) also indicated that brand name and country of origin have a significant effect on perceived quality. The results indicated that the correlation coefficient between brand name and product quality was .36. Also, the correlation coefficient between country of origin and perceived quality was .17. Grewal et al. (1998) also empirically supported the causal relationship between brand name and perceived quality with the standardised path coefficient of .55. The study by Yasin et al. (2007) also indicated that country of origin is a strong predictor of dimensions of brand equity, including brand loyalty, brand awareness, perceived quality and brand association.

Teas and Agarwal (2000) empirically tested the mediating effect of perceived quality between four extrinsic cues (price, brand name, store name and country of origin) and perceived value. The results showed that there was a mediating effect of perceived quality in the relationship between four extrinsic cues...
and perceived value. However, perceived quality did not completely mediate the linkages between four extrinsic cues and perceived value. This result suggested a partially mediating effect of perceived quality.

Model C: fully mediated model
The main point of the fully mediated model is that there is no direct effect of two extrinsic cues (brand name and country of origin) on perceived value; only an indirect effect exists through perceived quality. As discussed in the partially mediated model, Teas and Agarwal (2000) tested a fully mediated model to examine the relationship between extrinsic cues, perceived quality and perceived value. However, the results showed a partial mediation of perceived quality in the relationship between the extrinsic cues and perceived value.

Previous literature in extrinsic cues, perceived quality and perceived value provided conceptual and empirical grounds for developing three possible models. The direct effect model (Model A) is nested in the partially mediated model (Model B), and the fully mediated model (Model C) is nested in the partially mediated model (Model B). Thus comparison between three models was possible through two pairs of comparisons (A and B, and C and B).

Method
Participants
Participants for the study were 200 collegiate skiers who were members of the Korean University Ski Team Association (KUSTA). Of these, six responses were excluded from the data pool due to incomplete questionnaires. As a result, data analysis was conducted using 194 usable questionnaires (male = 130; female = 64). The mean age was 22.66 years (SD=2.62) and previous ski experience ranged from 0 to 15 years (M=4.21, SD=3.70).

Instrument
Based on Brislin’s (1990) guideline, the questionnaire, originally developed in English, was translated into Korean by two researchers. Then, it was translated back into English by two Koreans who were proficient in both languages. The first two researchers examined whether the original questionnaire had been properly translated into Korean and back into English.

The questionnaire started with a pictorial presentation of a pair of snow skis. A digital photo of the skis was taken with a Sony Cybershot (3.2 megapixel) camera. The picture was clear enough for respondents to recognise a brand name on the skis. A description of the skis, including the model name and price, was also provided alongside the picture. Respondents were asked to complete four scales (i.e., brand name, country of origin, perceived quality and perceived value).

Brand name was measured by one item from Teas and Agarwal (2000) and two items developed by the researchers. Teas and Agarwal asked overall brand image using a seven-point Likert scale. Additionally two items asked respondents’ perceived credibility of and belief in the brand name. The three items indicated a good internal consistency (α = .88). The latent construct of country of origin was measured with five items adapted from Teas and Agarwal. The scale was found to be reliable (α = .90). Perceived quality was measured with three items from Agarwal and Teas (2001; α = .89). Perceived value was measured with three items from Agarwal and Teas and showed good reliability (α = .82).

Data analysis
Statistical Package for the Social Sciences (SPSS 11.5) was used to calculate the descriptive statistics and conduct regression analysis and exploratory factor analysis (EFA). Additionally, Analysis of Moment Structures (AMOS 4.01) was used for a confirmatory factor analysis (CFA) and SEM.
Since two items measuring brand name were newly developed by the researchers, EFA was conducted to examine the underlying structure of a set of items. Following Baron and Kenny’s (1986) suggestion, a series of regression analyses were conducted in order to establish a priori the mediating effect of perceived quality in the relationship between two extrinsic cues and perceived value prior to SEM analysis. Consistent with the two-step approach advocated by Anderson and Gerbing (1988), CFA was conducted first in order to examine the adequacy of the hypothesised measurement relationship of the proposed model and to assess the psychometric properties, including convergent and discriminant validity, of each construct prior to examining the structural model. In following Kelloway (1998), three types of fit indices (absolute, comparative and parsimonious) were reported to assess the overall fit of the models. The root mean square error of approximation (RMSEA) and $\chi^2$ statistics were used as measures of absolute fit; the comparative fit index (CFI) was used as a comparative fit measure; and the parsimonious normed fit index (PNFI) was used as a parsimonious fit measure. According to Hu and Bentler (1999), RMSEA values less than .06, CFI values greater than .95 and PNFI values greater than .60 were recommended as indications of close model fit. After conducting CFA for the proposed measurement model, SEM was used to compare the three nested models and select the best fitting model. The comparisions of the models were based on fit indices and the chi-square difference test ($\Delta \chi^2$). In addition, SEM was conducted to confirm the results of the regression analyses.

### Results

The mean scores for the four latent variables were all over the median value of 4. All skewness and kurtosis values were found to be between -1 and 1, except for the kurtosis value of perceived quality item 2 (-1.011), item 3 (-1.100) and brand name item 2 (-1.114). These results indicated that the data were normal enough to be analysed with the maximum likelihood estimation for EFA and CFA (Kline, 1998). In addition, the correlations among study variables were shown in Table 1.

To explore the underlying factor structure, EFA using maximum likelihood with varimax rotation was conducted. The Kaiser-Meyer-Olkin measure of sampling adequacy was .90, which indicated that the input data were very adequate for EFA. The results of EFA indicated that three factors were extracted (Eigen value = 1.12). The three factors explained 62.4% of total variance in EFA. The results were different from the expectation that there would be four factors (see Table 2). The items measuring perceived quality and perceived value were loaded on the same factor. However, considering the conceptual similarity between perceived quality and perceived value (Zeithaml, 1988), these results were not considered unusual. Therefore, the subsequent statistical analyses were conducted without any further modification of the instrument.
Regression analyses were conducted to determine whether a mediation effect of perceived quality was present. According to Baron and Kenny (1986), the following three conditions should be satisfied to establish mediation:

(1) when regressing the mediator on the independent variable, the independent variable must have a significant relationship with the mediator

(2) when regressing the dependent variable on the independent variable, the independent variable should be significantly related to the dependent variable

(3) when regressing the dependent variable on both the independent variable and the mediator, the mediator must affect the dependent variable. Then, the effect of the independent variable on the dependent variable should be more weakened in the third equation than in the second. Full mediation holds when the independent variable has no effect when the mediator is controlled.

Following Baron and Kenny’s (1986) suggestion, three regression analyses were conducted in order. The results indicated that country of origin and brand name (independent variables) had a significant relationship with perceived quality (mediator) with a beta coefficient of .31 (p = .001) and .27 (p = .001) respectively in the first stage. Country of origin and brand name (independent variables) were also shown to have significant relationships with perceived value (dependent variable) with a beta coefficient of .36 (p = .001) and .29 (p = .001) respectively in the second stage. The results of the third stage indicated that perceived quality (mediator) had a significant influence on the perceived value.
(dependent variable) with a beta coefficient of .439 (p = .001). In addition, the impact of both country of origin and brand name (independent variables) on perceived value (dependent variable) substantially decreased when the perceived quality was controlled in the third step. Even though the coefficients were decreased, the values were still statistically significant with a beta coefficient of .19 (p = .008, country of origin -> perceived value) and .17 (p = .012, brand name -> perceived value) respectively. Based on the results, it is assumed that there is a partial mediation of perceived quality in the relationship between two extrinsic cues and perceived value. SEM was conducted to confirm the partial mediation of perceived quality suggested by the results of the regression analyses.

The results of the CFA indicated a good fit of the hypothesised model to the data (RMSEA: .061, CFI: .970, PNFI: .727). The χ² for the model was 122.033 (df = 71; p < .05). All model fit indices,
Perceived value in ski products

Except $\chi^2$ statistics indicated that the CFA model fitted the data very well. Convergent validity was supported by the results that all average variance extracted (AVE) scores exceeded the recommended threshold of .50. For discriminant validity, the square of intercorrelation across all possible pairs of constructs was less than AVE, indicating that all the four latent constructs are distinct from each other. All the values of factor loadings, AVEs and construct reliability for the four latent variables are presented in Table 3.

The results of the comparisons of the three models are shown in Table 4.

The goodness of fit statistics indicated that Model A, the direct effect model, did not fit the data well and was inferior to Model B, the partially mediated model. The chi-square difference test was significant: $(\Delta \chi^2 = 150.91, df = 3, p < .05)$. In addition, RMSEA and CFI also indicated that Model A fitted significantly worse than Model B. Thus Model A was eliminated from further consideration. When comparing Model B with Model C, it appeared that Model B performed slightly better than Model C. The point estimate of RMSEA and the CFI value of the partially mediated model (Model B) was slightly better than those of the fully mediated model (Model C). In addition, the chi-square difference test $(\Delta \chi^2 = 9.478, df = 2, p < .05)$ was significant. As a result, the partially mediated model (Model B) was found to be the best fitting model in regression analyses.

In Model B two extrinsic cues (brand name and country of origin) were significantly associated with perceived quality, with a beta coefficient of .289 ($p < .05$) and .453 ($p < .05$) respectively. Two extrinsic cues explained 44.3% of the variance in the perceived quality. Perceived quality was in turn significantly associated with perceived value ($\beta = .549$), explaining 57.8% of the variance.

**Discussion**

This study examined the role of the country of origin and brand name in determining consumers’ perceived quality and perceived value of products. The results confirmed the results of Teas and Agarwal (2000) in that perceived quality partially mediated the relationship between extrinsic cues and perceived value. This study, however, has its own value in that the partial mediation was found using two different methods and showed consistent results. The regression analyses suggested by Baron and Kenny (1986) were utilised to establish a priori the relationship between the constructs country of origin, brand name, perceived quality and perceived value. Based on the results of three regression analyses, SEM was utilised to confirm the partial mediation. The three models (direct effect, partial mediation and full mediation) were compared using multiple model fit indices and the partially mediating model was found to be the best fitting model. There is another advantage to using two different methods for finding out the mediation effect: using the regression analyses, we were able to witness a decrease in the

---

**TABLE 4** Fit measures and latent path coefficients for all three models

<table>
<thead>
<tr>
<th></th>
<th>MODEL A</th>
<th>MODEL B</th>
<th>MODEL C</th>
</tr>
</thead>
<tbody>
<tr>
<td>$df$</td>
<td>74</td>
<td>71</td>
<td>73</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.118</td>
<td>0.061</td>
<td>0.064</td>
</tr>
<tr>
<td>CFI</td>
<td>0.883</td>
<td>0.970</td>
<td>0.966</td>
</tr>
<tr>
<td>$\chi^2/df$</td>
<td>3.688</td>
<td>3.385</td>
<td>3.641</td>
</tr>
<tr>
<td>BRAND NAME $\rightarrow$ PERCEIVED QUALITY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$\beta$</td>
<td>NA</td>
<td>0.289</td>
<td>0.304</td>
</tr>
<tr>
<td>C.R.</td>
<td>NA</td>
<td>3.103</td>
<td>3.461</td>
</tr>
<tr>
<td>COUNTRY OF ORIGIN $\rightarrow$ PERCEIVED QUALITY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$\beta$</td>
<td>0.226</td>
<td>0.453</td>
<td>0.461</td>
</tr>
<tr>
<td>C.R.</td>
<td>3.103</td>
<td>5.048</td>
<td>5.235</td>
</tr>
<tr>
<td>BRAND NAME $\rightarrow$ PERCEIVED VALUE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$\beta$</td>
<td>NA</td>
<td>0.160</td>
<td>0.219</td>
</tr>
<tr>
<td>C.R.</td>
<td>NA</td>
<td>1.859</td>
<td>2.985</td>
</tr>
<tr>
<td>COUNTRY OF ORIGIN $\rightarrow$ PERCEIVED VALUE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$\beta$</td>
<td>0.150</td>
<td>0.160</td>
<td>0.595</td>
</tr>
<tr>
<td>C.R.</td>
<td>1.607</td>
<td>1.607</td>
<td>8.826</td>
</tr>
<tr>
<td>PERCEIVED QUALITY $\rightarrow$ PERCEIVED VALUE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$\beta$</td>
<td>0.549</td>
<td>0.549</td>
<td>0.753</td>
</tr>
<tr>
<td>C.R.</td>
<td>6.815</td>
<td>5.543</td>
<td>8.826</td>
</tr>
</tbody>
</table>
relationships between country of origin and perceived value and brand and perceived value. The betas were .36 (p = .001, country of origin -> perceived value) and .29 (p = .001, brand name -> perceived value) at the first step of the regression analyses and they decreased to .19 (p = .008) and .17 (p = .012) respectively at the third step.

The perceived quality of the ski product partially mediated the relationships between country of origin and perceived value and brand name and perceived value. This indicated that the two extrinsic cues had a direct and indirect influence on perceived value of the ski product. The consumers are found to put significant weight on those extrinsic cues based on the results of this study. Country of origin was found to explain 16.1% to 20.5% of the variance in perceived quality of the ski product based on the regression analyses and SEM.

Compared to the two products in Agarwal and Teas (2001; wristwatch and calculator, explained 9% and 11.6% respectively), much more variance in perceived quality in ski product was determined by its country of origin. This may be due to the fact that not many countries are known to manufacture ski products. In addition, this also implies that ski users have a clear knowledge and preference in relation to the country of origin of ski products. Brand name was also found to explain a significant amount of variance in perceived quality of a ski product. It explained 7.5% to 8.4% of perceived quality.

The two extrinsic cues of country of origin and brand name also explained a fair amount of variance in perceived value directly, without the mediation of perceived quality. This implied that the respondents utilised the two extrinsic cues to form a collective perceived quality of a product and, at the same time, used the extrinsic cues as additional determinants of perceived value on top of the price. The two extrinsic cues not only determine the perceived quality but also the perceived value of the ski product. Once marketers find out the country of origin and brand name that ski consumers prefer, they may want to emphasise these extrinsic cues in advertising and other promotional plans such as point of purchase promotion.

Some ski equipment companies are now co-branding with other sports companies. For example, Adidas had acquired the ski equipment brand Salomon. However, many Korean skiers did not recognise this co-branding trend. Since Adidas is a much more well-known brand than Salomon in South Korea, advertising to ski consumers the fact that Salomon is the co-branded company with Adidas could be a possible way to enhance attitudes towards the brand name.

According to Yasin et al (2007), country of origin is not only a significant determinant of perceived quality but also a predictor of brand equity. Brand managers can enhance the country of origin image by highlighting the brands of superior quality that originate from the same country. Such a strategy may help consumers generalise product information about the country’s brands. For example, Elan could emphasise that its ski equipment is as good as BMW. Although these brands have different manufacturers, both originate from the same country, Germany.

Since extrinsic cues are crucial in signalling perceived quality, it is likely that perceived quality might be encompassed by both the country of origin and the brand name. However, given that the correlations among the study variables were moderate, ranging from .478 to .622 (see Table 1), such an embedment among variables is not considered to be problematic.

Conclusion and suggestions for further research

The study examined the role of the country of origin and brand name in determining consumers’ perceived quality and perceived value of products. The results confirmed the results of Teas and Agarwal (2000) that perceived quality partially mediated the relationship between extrinsic cues and perceived value.

This study examined two extrinsic cues of a ski product. Even though the two cues explained quite a
good amount of the perceived quality of the ski product, additional extrinsic cues may give further insight into perceived quality. Future research may include product warranty or store image as other extrinsic cues, to uncover its relationship with perceived quality.

The data were collected from college skiers in South Korea. Since no South Korean company manufactures ski products, the respondents were expected to have a neutral attitude towards the country of origin of the ski product. However, there are limitations caused by geographic area (i.e. South Korea) and demographics (i.e. college skiers). First, South Korea is not known as one of the more popular skiing countries and there must, therefore, be fewer skiers there than in so-called ‘winter sport’ countries such as Canada, Austria, Japan and Switzerland. The limited size of the ski market and knowledge of ski products may also have influenced respondents’ evaluations of perceived quality and perceived value. Second, college students are known to have limited financial resources compared with other segments of the population. Thus their perceived value may differ from those of other populations that possess more financial resources. This also decreased the generalisability of this study and it is therefore recommended that similar studies should be done with different populations to improve generalisability.

The lack of balance between the details of the statistical test and the rough measurements of the concepts in a qualitative study could be a problem. Therefore, a future study should consider using more rigorous and precise measurements for the constructs.

Biographies

Jin-Wook Han is an assistant professor of the Graduate School of Physical Education at Kyung Hee University in South Korea. His research interests include the impact of sports consumers’ image congruity on their consumption behaviours and employees’ job attitudes and behaviours in a sports organisation.

Hyungil H. Kwon is an assistant professor of the Department of Physical Education at Chung-Ang University in South Korea. His research interests include sports consumers’ team identification, fan motivation and purchasing behaviour of sporting event and licensed merchandise.

References


Official supporters clubs: 
The untapped potential of fan loyalty

Keywords
supporters clubs
CLP
German national soccer
fan membership

Abstract
Preference analysis was conducted among supporter club members of the German national soccer team. Survey results based on 493 completed questionnaires underline the market potential of official fan loyalty programmes due to a high average willingness to pay and a general preference for cheap and easy to implement 'right of first refusal' benefits for tickets as the main supporters club feature. Adequately designed supporters clubs may present soccer clubs with a new source of income while creating opportunities to improve stadium atmosphere and security.

Executive summary
Over the past century, soccer has evolved into a global sport with a steadily increasing number of players and supporters. A recent study estimates that there are over 240 million registered players worldwide and fan participation in the billions (Terrel et al, 2005). Through the success of tournaments such as the UEFA Cup, the Champions League and the FIFA World Cup, as well as cross-border transfer of players, professional soccer clubs enjoy local and increasingly global fan support (Sportfive, 2004). This fan support drives all the major sources of income for clubs as it directly or indirectly affects ticketing and merchandise sales and broadcasting fees, as well as income from advertisements and sponsorships. The overall income of clubs has grown rapidly in recent decades, with an estimated turnover of €11 billion in Europe alone in 2004 (Deloitte, 2005). To recruit and retain top players and to
succeed in local leagues as well as international competitions, professional soccer clubs are exploring more and more options to maximise this income.

Considering the importance of the relationship between a soccer club and its supporters, it is interesting to note that clubs rarely manage this relationship proactively and that relationship marketing strategies, similar to customer loyalty programmes (CLPs), are rarely deployed. The formation and management of supporters clubs has typically been outsourced to private entities, which has resulted in various smaller, independent supporters clubs being affiliated with each soccer club. As well as fragmenting the club’s fan base, this outsourcing impedes the active management of the relationship between the fans and their club.

This paper seeks to demonstrate that official supporters clubs can be leveraged to increase profits and obtain other less tangible long-term benefits through proactive management of the club-fan relationship. The established concept of a membership fee at an independent supporters club would allow the club to generate an additional guaranteed income stream. Replacing various smaller and independent clubs, an official supporters club could serve to heighten the stadium atmosphere by improving the distribution of merchandise such as flags, scarves, jerseys and songs as well as fan activities and fan involvement in club-related projects. Furthermore, an increasing percentage of ticket sales to loyal fans in the supporters club (e.g. right of first refusal for tickets) could strengthen game-day support for the team. Finally, personal information about ticket buyers and perhaps a limitation of tickets per buyer may offer better control over fans in the stadium and result in greater stadium security.

This web-based study of 493 respondents provides insight into specific preferences and willingness to pay (WTP) for supporters club memberships and the segment-specific design preferences of existing members of the German national soccer team supporters club. The analysis shows a considerably high average WTP of €34.78 and identifies the right of first refusal for tickets as the most preferred service. This is particularly interesting for profitability reasons as the right of first refusal for tickets would come at relatively low cost to soccer clubs.

This study advocates the establishment and management of official supporters clubs by soccer clubs primarily as a means of leveraging fan loyalty to increase revenue, but also with a view to achieving ancillary benefits such as improving the stadium atmosphere and strengthening security.

Introduction

Professional soccer is big business, with an annual turnover of approximately €12 billion (Freedman, 2004). However, there is general consensus among experts that the potential to exploit the existing revenue sources in European soccer is shrinking, at least in the short term. This is underlined by the fact that the 2003-04 season exhibited the lowest revenue growth figures for the top five leagues (England, France, Germany, Italy and Spain) in the past decade, with the German Bundesliga and French Ligue 1 even experiencing a decrease in revenue of about 5% relative to the previous season (Deloitte, 2005). Considering the enormous expense associated with players' wages and transfers, club owners and managers have a compelling reason to identify new ways to generate or maximise revenue for their clubs.

The major sources of income for soccer clubs are broadcasting rights, ticket sales, advertising and merchandising (Deloitte, 2005). Fan support is the basis for all of these major sources of income, with the number and spend of fans directly or indirectly affecting the sales and the interest of sponsors and the media. A club’s fan base is predominantly found in its domestic market but also extends to nationals abroad (work, study, holiday) and internationals who have an interest in a club through prominent players or other points of contact. To maximise the revenues from all the major sources of income, soccer clubs have to manage the fan relationship effectively by developing,
increasing and maintaining fan interest and converting it into long-term benefits and profit.

Based on findings about the value of customer retention and loyalty, marketers in non-sports industries started to develop and implement CLPs in the late 1980s. These programmes are usually designed such that companies acquire information about their consumers in exchange for discounts or other benefits. Access to information about their customers, including the right to contact these consumers directly, allows companies to manage this relationship actively, to identify products of interest, personalise product offers and so on. The central goal of CLPs is an increase in loyalty and a conversion of this loyalty into long-term profits.

To date, soccer clubs have mostly abstained from establishing official fan loyalty programmes. However, in what are often privately organised supporters clubs there exists a well established but decentralised instrument that exhibits similar features to traditional CLPs in the way in which it increases the loyalty and potential value of existing fans. In 2005, Bayern Munich counted 2,189 supporters clubs boasting 146,000 members (FC Bayern, 2005), all of which were independent, privately organised and not recorded in any official register.

This paper suggests that official supporters clubs can be leveraged to obtain financial as well as non-financial benefits which are not traditionally associated with CLP-type activity.

Financially, official supporters clubs could be self-supporting. Fans are willing to pay an annual fee for membership, usually in exchange for a bundle of products. This allows soccer clubs to generate a guaranteed stream of income for the management of a supporters club and could improve market access for sales of remaining stock or the acceptance of new products such as soccer reports on the Internet. While costs would be incurred in respect of services such as ticket enquiries, complaint management and the establishment of ticket allocation processes, the intangible nature of the benefits offered in exchange for membership (such as the right of first refusal for tickets) should make supporters clubs, at worst, a cost-neutral proposition.

Supporters clubs could also be expected to carry less tangible benefits, such as heightened stadium atmosphere, due to increased provision/sales of merchandise as well as fan activities and fan involvement in club-related projects. Furthermore, an increasing percentage of ticket sales to loyal fans in the supporters club (e.g. right of first refusal for tickets) could strengthen game-day support for the team. Finally, personal information about ticket buyers and perhaps a limit on tickets per buyer may offer better control over fans in the stadium and result in greater stadium security.

While the formation of centralised supporters clubs appears to be a useful tool for improving and managing fan loyalty, the reticence of professional clubs to implement such programmes suggests a degree of uncertainty as to their potential financial implications.

In contrast to most professional soccer clubs, national soccer federations have started to utilise relationship marketing with a view to improving stadium atmosphere and security. The first federations to start official supporters clubs were Holland and England, followed by Scotland and Germany. Larger federations such as Holland, England and Germany were able to attract more than 25,000 members in just a few years; Holland is the largest, with more than 60,000 members in 2007 (SCO, 2007; FA, 2007; Horeni, 2006).

Given the level of interest in soccer, the success of CLPs in non-sports industries and the success of official supporters clubs for soccer federations, it seems plausible that a well-designed supporters club could be highly beneficial and profitable for professional soccer clubs. While existing research on fan loyalty has focused on behavioural and attitudinal dimensions, this paper will examine supporters clubs as an instrument for soccer clubs to turn fan loyalty into revenue and subsequently into profits.

First, we discuss customer loyalty as a key revenue driver. Second, we investigate CLPs and supporters...
clubs as a means of augmenting income and deriving auxiliary benefits by leveraging customer loyalty. Third, we articulate our methodology and provide insight into the preferred frameworks for supporters clubs.

**Loyalty**

For decades, marketers have pursued strategies which are product- and transaction-oriented. As a result, the focus has been on the profitability of an individual transaction with a customer, rather than the profitability of a long-term customer relationship. Through changes in the cost of acquiring new customers, increased competition, the speed of market entry of innovative products, the deregulation of industries (a fact that also concerns soccer clubs) and the rising cost of marketing, in the last decades marketing strategies have increasingly focused on creating and maintaining relationships (Whyte, 2002). The fundamental goal of relationship marketing is to establish a mutually beneficial exchange between business partners (Reichheld, 1996). The idea behind this strategy change is to increase profitability by developing, maintaining and enhancing customer loyalty towards products or companies. While most researchers agree on the importance of customer loyalty as a key factor of profitable relationship marketing (e.g. Fornell, 1992; Jones & Sasser, 1995; Oliver, 1999), some authors even describe loyalty as the number one strategic goal (Oliver, 1999; Reichheld & Teal, 2001).

At a very general level, loyalty is something that customers may exhibit towards brands, services, stores, activities, product categories or organisations like sport clubs. Unfortunately, there is no universally agreed definition (Jacoby & Chestnut, 1978; Dick & Basu, 1994; Oliver, 1999) of loyalty. In this paper, we conceptualise loyalty as an enduring relationship between the consumer and an organisation (Foskull & Goldsmith, 1994; Reinartz & Kumar, 2000).

Existing market research has to date focused primarily on mainstream business sectors, analysing brand, vendor, service and store loyalty. There are, however, an increasing number of studies looking at the loyalty of soccer fans. For example, Tapp (2004) shows that loyalty patterns of soccer fans are comparable to those of customers in non-soccer industries but that the underlying explanatory factors are different. Bauer et al (2005) analyse brand image as an antecedent of loyalty and find that non-product attributes of the brand are more important to soccer fan loyalty than product-related attributes. The reasons for the differences in loyalty between sports and non-sports sectors are based on the unique characteristics of sport as a product, such as inconsistency and unpredictability as well as controllability of the core product (Mullin et al, 2000). While research on soccer fans’ loyalty has focused on behavioural or attitudinal aspects, studies in non-sports sectors have also analysed the impact on competitive and economic aspects (Dick & Basu, 1994) and most have found an increasing competitive advantage and profitability due to increasing customer loyalty.

The aim of this study is to propose the introduction and management of an official supporters club for professional soccer clubs, to improve relationship marketing and to leverage better fan loyalty. As supporters clubs comprise similar attributes and goals to existing CLPs in non-sports industries, it is valuable to consider whether they could therefore derive similar advantages for soccer clubs. The following section will look at CLPs as an important instrument of relationship marketing, describe design options for supporters clubs and discuss similarities and differences.

**CLPs and supporters clubs**

In recent years, CLPs have attracted considerable interest from both practitioners and academics. Typically, the customer is entitled to either a discount on a current transaction or an allotment of points that can be used for future transactions. Moreover, some of these programmes allow for the identification of purchase patterns that can be linked to demographics. The main reasons for the success of CLPs are the high
proportion of customers who seek an involving relationship with the brand(s) they buy, the profitability of extremely loyal consumers, the possibility to strengthen the loyalty of buyers and to encourage them to climb up a ‘loyalty ladder’ and new opportunities for one-to-one dialogue with customers based on advances in technology (Dowling & Uncles, 1997). With the introduction of CLPs, companies generally expect to maintain sales levels, margins and profits, increase the loyalty and potential value of existing customers and induce cross-product buying. Moreover, CLPs allow the differentiation of a parity brand, pre-empting the entry of a new brand and, to a certain degree, the pre-emption of competing loyalty schemes (Dowling & Uncles, 1997).

Loyalty among fans imports a broader meaning within sport than it does in non-sports industries. Loyal sports fans will generally not adopt another club or favourite player because of short-term disappointments or failures (Sebastian & Bristow, 2000). However, loyalty towards clubs often changes over time. Numerous studies have, for example, shown that the attractiveness of a club (and thus loyalty) indirectly depends on the club’s success (Baade & Tiehen, 1990; Kahle et al, 1996; Whitney, 1988).

Professional soccer clubs already generate revenue based on loyalty and club identification directly through ticket sales and merchandising and indirectly through income from broadcasting rights, advertisement and sponsorship. As such, their profitability is dependent on their ability to harness that loyalty.

Applying the CLP concept to soccer clubs, loyalty programmes can be understood as vehicles that increase club loyalty, decrease price sensitivity, enlarge switching costs, produce greater customer resistance to the solicitations of competitors, dampen the desire to consider alternative clubs or sports, encourage word-of-mouth support, attract more supporters and increase the amount of merchandise sold (Uncles et al, 2002). In short, CLPs could be an instrument to generate additional income for soccer clubs.

For the purposes of this paper, a supporters club is defined as an informal (private) or formal (official) association with the goal of advancing collective interests and organising collective activities to follow and support a particular team or player (Wikipedia, 2007).

Three aspects make a proprietary supporters club attractive for soccer clubs:

1. **Additional source of revenue and expansion of existing revenue streams**
   Supporters club members would pay an annual fee and could be targeted with (personalised) merchandise offers, special ticket/travel bundles or new innovative product offers (e.g. soccer reports on the Internet could be included in the membership package).

2. **Potential for a heightened atmosphere in the stadium on a match day**
   According to previous research in sports marketing, atmosphere is considered to be a crucial service at the point of sale (Hill & Green, 2000). Official supporters clubs would afford soccer clubs the ability to coordinate their supporters better on match day and thereby improve the atmosphere in the stadium. The consolidation of a large number of fans would be expected to improve group dynamics, increase the proportion of fans wearing team colours, drive the cohesive singing of collective fan hymns and broadly improve the level of involvement of fans in activities and projects around the game. In addition, the right of first refusal for tickets in favour of loyal fans in supporters clubs may further improve the atmosphere in the stadium on the grounds that there would likely be a greater proportion of committed fans present.

3. **Allows a club to gather information about its members and potentially to discover/track criminal offences in the stadium**
   Such a database could support the identification of
potential security risks and the taking of precautionary steps before games. In addition, depending on national privacy laws, soccer clubs and police could match member records with statistics of soccer-related offences at previous soccer games to refuse stadium access if necessary. This security aspect recently became a pressing aim for soccer clubs all over Europe.

For example, UEFA President Michel Platini said, after a riot during a match between Sicilian sides Catania and Palermo, that it is crucial to find a solution to the spiral of violence that is plaguing European soccer. One solution that has proved successful is personalised tickets, such as those issued for the World Cup 2006, which, in addition, may allow the establishment of a loyalty points system.

A CLP or supporters club must be mutually beneficial. While the major incentives for the clubs are detailed in the previous section, here we will briefly discuss the advantages for the fans. Supporters can benefit by receiving special or exclusive offers, rewards for loyalty, a better match day experience, participation in fan events/activities and involvement in club/team/game-related issues; they could also benefit from greater safety in the stadium. The most enthusiastic supporters in particular could benefit from the right of first refusal for tickets and extra ticket allowances for important games. Moreover, they could gain a better insight into the club, participate in club activities and projects and enjoy offers such as ‘meet and greets’ with players. This could in turn help to foster the relationship between supporter and club.

As indicated in Table 1, supporters clubs differ from traditional CLPs in two ways. First, due to the complexity of the product and the nature of the interconnected business areas (ticketing, merchandising, sponsoring and media), the advantages for both members and soccer club exceed the advantages normally derived from traditional CLPs. Second, membership of CLPs is generally free, whereas members of a supporters club would expect to pay a monthly or yearly fee.

In order to leverage demand for a supporters club, and thereby optimise the core loyalty benefit, it is crucial to design the supporters club and its services in a way that best suits the fans’ preferences and thereby minimises the risk of supporter apathy and financial loss. To maximise the potential impact of a supporters club, our empirical study, based on a market simulation, establishes the different supporter segments, determines the supporters’ preferences and calculates WTP for potential products.
Methodology

In the first instance, customers' design preferences for supporters clubs are analysed using a latent class choice-based conjoint approach to examine market segments and their preferences for product and service attributes and attribute levels based on differences in part-worth utilities. Subsequently, we employ the contingent valuation approach (e.g. Mitchell & Carson, 1989) as one of the most popular methods to measure WTP (Voelckner, 2006) to investigate the maximum amount of money that customers in each market segment would be willing to pay for membership of a supporters club. Based on the combination of the output from both approaches, we derive implications regarding potential marketing strategies.

Contingent valuation

Contingent valuation was introduced in 1947 by Ciriacy-Wantrup as a method to detect how much individuals would be willing to pay for a certain benefit (Portney, 1994). The popularity of contingent valuation increased rapidly in the 1980s and has produced many modifications to the original approach. It is now considered a common tool in marketing research across multiple product spectrums (Hanemann, 1994). In this study, we adopt the direct questioning approach from Kalish and Nelson (1991) to identify the maximum price customers are willing to pay for certain supporters club memberships.

Choice-based conjoint analysis

Conjoint analysis (CA) is one of the most popular market research procedures among practitioners and researchers to investigate customer preferences (Green et al, 2001). Traditional CA, which is based on rating or ranking assessments, has been criticised for the lack of correlation between preference ratings or rankings and real purchase decisions. Moreover, rating- or ranking-based CA does not typically consider a potential no-purchase decision from customers and, as a result, the following choice simulations are based on the questionable assumption for choice decisions. The choice-based conjoint analysis (CBC) approach was introduced in 1983 (Louviere & Woodworth, 1983) to overcome the weaknesses of traditional CA. In CBC, as in real purchase situations, customers can choose the preferred product from a set of alternatives (choice set). The inclusion of a ‘non-option’ in the choice set allows for the consideration of a no-purchase decision made by the customer. The underlying assumption in CBC is that the preference for one of the products or the non-option results from a utility comparison among all alternatives in a choice set and leads to a purchase or no-purchase decision.

The aim of a CBC is to estimate part-worth utilities for product attributes and attribute levels, so that a predicted choice decision – based on the utilities for the products and the non-option in the choice set – best reflects a customer’s actual choice decision. As CBC is based on the random utility theory (McFadden, 1974), product utilities consist of a deterministic as well as a random component and customer choices can only be predicted with an imperfect degree of certainty. The deterministic component is comparable to the product utility in traditional CA and can be derived as the sum of part-worth utilities from product-specific attributes and attribute levels. Assuming a vector model for customer preferences for price levels and a part-worth model for attribute levels within all other attributes, the model can be described as follows:
If the random utility component is assumed to be Gumbel-distributed, the choice probability can be depicted as a multinomial logit model and the parameter estimation can be conducted using maximum likelihood. However, as customers are typically heterogeneous in their preferences, we apply a latent class approach to estimate simultaneously the utility parameters, the segment memberships for customers and the relative size of the segments:

\[ u_{h,i} = \sum_{j \in J} \sum_{m \in M_j} \beta_{h,j,m} \cdot x_{i,j,m} + \beta_{h,\text{Price}} \cdot x_{i,\text{Price}} \]

where

- \( u_{h,i} \) : utility of product \( i \) for customer \( h \),
- \( \beta_{h,j,m} \) : parameter for the \( m \)th level of the \( j \)th attribute for customer \( h \),
- \( \beta_{h,\text{Price}} \) : parameter for the attribute price for customer \( h \) (\( h,\text{Price} < 0 \)),
- \( x_{i,j,m} \) : value of the \( m \)th level of the \( j \)th attribute of product \( i \),
- \( x_{i,\text{Price}} \) : value of the attribute price at product \( i \),
- \( H \) : index set of customers,
- \( I \) : index set of products,
- \( J \) : index set of attributes without price,
- \( M_j \) : index set of levels for the \( j \)th attribute.
Official supporters clubs

\[
L = \prod_{h \in H} \sum_{s \in S} \eta_s \prod_{a \in A} \prod_{i \in C_a} \left( \frac{\exp \left( \beta_{NP,h,s} \cdot x_{NP,i} + (1 - x_{NP,i}) \cdot u_{h,s,i} \right)}{\sum_{i' \in C_a} \exp \left( \beta_{NP,h,s} \cdot x_{NP,i'} + (1 - x_{NP,i'}) \cdot u_{h,s,i'} \right) } \right)^{d_{h,i,a}} \rightarrow \text{Max.}
\]

where

- \( L \) : likelihood function,
- \( \eta_s \) : relative size of segment \( s \),
- \( \beta_{NP,h,s} \) : parameter of the non-option for customer \( h \) if customer \( h \) belongs to segment \( s \),
- \( x_{NP,i} \) : dummy variable for the non-option in connection with product \( i \),
- \( u_{h,s,i} \) : utility of product \( i \) for customer \( h \) if customer \( h \) belongs to segment \( s \),
- \( C_a \) : index set of products in choice set \( a \),
- \( d_{h,i,a} \) : binary variable for the choice of the \( i \)th product from the \( a \)th choice set of customer \( h \),
- \( A \) : index set of choice sets,
- \( S \) : index set of segments.

The resulting segments will then be investigated in light of their respective psychographics (motives underlying sports spectator consumption behaviour), demographics and the relative importance of the product attribute for each segment. The influence of these factors is analysed using concomitant variable latent class CBC approach (Kamakura et al, 1994).
The German Soccer Federation founded a supporters club for its national team (SCN) in March 2003 to support the team on its way to the World Cup in 2006, to establish a communication platform for fans and to improve ticketing and travel services for fans. With well over 40,000 members by late 2006 (Horeni, 2006), the supporters club can claim a successful start and provides an excellent point of reference to examine preferences for products and services as well as WTP.

Between May and July 2006, a link to an online survey was placed on the homepage of the SCN and all the respondents participated in a draw for merchandising products and game tickets. The online questionnaire began with questions regarding general interest in soccer and membership of the SCN. This was followed by purchase decisions for supporters club memberships offered in CBC choice sets. After becoming familiar with the potential attributes and attribute levels for supporters club memberships by evaluating different memberships in the CBC part of the questionnaire, consumers were asked to state their WTP for a supporters club membership containing the optimal levels for each attribute followed by questions relating to consumer demographics.

In order to identify the most appropriate membership attributes and attribute levels, and to better transfer findings from this study among national team supporters to league team supporters, we conducted an extensive search among supporters clubs of national teams as well as among private supporters clubs for league teams. We then asked 53 existing and potential members of supporters clubs to give an importance rating for six product and service attributes and 59 attribute levels on a seven-point Likert scale. The resultant rankings were discussed with sports marketing experts to ratify the relevance of the attributes and attribute levels and to exclude knockout criteria. The sports marketing experts from media and marketing agencies as well as from the

### TABLE 2

<table>
<thead>
<tr>
<th>ATTRIBUTE</th>
<th>ATTRIBUTE LEVEL</th>
</tr>
</thead>
</table>
| STARTER PACKAGE      | • T-SHIRT + POSTER  
• CAP + SCARF  
• HIGHLIGHT DVD + KEY RING + FOAM HAND  
• CALENDAR + FLAG  |
| MULTIMEDIA           | • GAME HIGHLIGHT REPORTS ON THE INTERNET  
• BEFORE AND AFTER GAME REPORTS ON THE INTERNET  
• MOBILE PHONE DOWNLOADS (LOGOS, RING TONES, WALLPAPER)  
• HEADLINES ON THE MOBILE PHONE  |
| TICKETS/TRAVEL       | • RIGHT OF FIRST REFUSAL FOR TICKETS (NOT WORLD CUP (WC)/EUROPEAN CUP (EC))  
• EXTRA TICKET CONTINGENT FOR WC/EC  
• BUDGET TRAVEL PACKAGES FOR AWAY GAMES  
• BONUS SYSTEM: RIGHT OF FIRST REFUSAL FOR TICKETS FOR FREQUENT GAME ATTENDANTS  |
| MISCELLANEOUS        | • DFB MAGAZINE (EVERY 3 MONTHS)  
• 2 FREE TICKETS FOR A U21 FRIENDLY MATCH  
• 10% DISCOUNT ON ALL PRODUCTS IN THE FAN SHOP  
• FAN-TASTIC MOMENTS (E.G. MEET AND GREET WITH THE TEAM)  |
| ANNUAL FEE           | • €15  
• €20  
• €25  |
German soccer federation were all involved in the planning, launch and management of the SCN and had several years of experience relevant to supporters clubs. The study design was finally tested in a pre-study with 25 existing and potential members.

The final CBC design, as shown in Table 2, contains the highest ranked attributes (starter package, multimedia, tickets/travels and annual fee, as well as a fifth category which comprises the most important levels from the remaining attributes).

The starter package is a welcome present for new members of the supporters club. In contrast to all other products and services, the starter package is a one-time-only feature. While the SCN gives away the popular SCN cap and scarf, the T-shirt, poster, highlight DVD, key ring, foam hand, calendar and flag showed similar importance ratings in the pre-study assessment of attribute levels and are therefore grouped together in three additional starter packages of similar monetary value.

The multimedia attribute summarises the most important attribute level for the online and/or mobile presence of a supporters club. Even though some of the higher-rated attribute levels come with relatively high initial costs and might require further clarification in respect of marketing/broadcasting rights in certain countries, multimedia could be a very important factor to attract members, especially in the younger demographic.

Tickets/travel is a very interesting attribute for soccer clubs as most attribute levels come at very low costs. Moreover, for the reasons outlined above, it may prove beneficial for soccer clubs to have greater control over who is attending matches and to increase the number of loyal fans at popular games. The extra ticket allowance for World Championships/European Championships (WC/EC) is the only attribute level in this study which relates solely to supporters clubs of national teams. However, the basic driver of this attribute level, the provision of an extra allowance for games where ticket demand exceeds supply, is equally applicable to soccer clubs in respect of important matches such as cup games, international games and finals. Finally, greater control over ticket sales could create opportunities for price differentiation and yield management.

For the annual fee attribute, the relevant fee levels were chosen in accordance with advice from the sports marketing experts based on the existing fee for the SCN membership of €20.

The CBC section of the questionnaire contains 15 choice sets. Each choice set consists of three different membership alternatives as well as a non-option. The first 12 choice sets enter the estimation procedure...
FIGURE 2  Demographic data on the survey participants

GENDER

MALE 84%
FEMALE 16%

AGE

50.00%
40.00%
30.00%
20.00%
10.00%
0.00%

1.83%
15.01%
31.64%
43.81%
6.69%
0.41%

UNDER 18 YEARS 18-24 YEARS 25-34 YEARS 35-49 YEARS 50-64 YEARS 65 YEARS AND OLDER
FIGURE 2 Demographic data on the survey participants (CONT)

HOUSEHOLD SIZE

INCOME

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Person</td>
<td>21.9%</td>
</tr>
<tr>
<td>2 Persons</td>
<td>29.6%</td>
</tr>
<tr>
<td>3 Persons</td>
<td>41.18%</td>
</tr>
<tr>
<td>4 Persons</td>
<td>6.69%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 500 Euros</td>
<td>2.84%</td>
</tr>
<tr>
<td>500 to 1000 Euros</td>
<td>5.68%</td>
</tr>
<tr>
<td>1001 to 2000 Euros</td>
<td>27.59%</td>
</tr>
<tr>
<td>2001 to 3000 Euros</td>
<td>24.41%</td>
</tr>
<tr>
<td>Over 3001 Euros</td>
<td>18.86%</td>
</tr>
</tbody>
</table>
while choice sets 13–15 are holdout sets to evaluate predictive validity. The sample is a convenience sample taken from members of the SCN who visited the SCN website between May and July. As there are currently no centrally managed supporters clubs for professional soccer clubs, the SCN provides the only large pool of fans who have in fact joined an official soccer supporters club in Germany. We assume that preferences and WTP for supporters club attribute levels would be similar for members of the SCN and potential members of official supporters clubs for soccer clubs. To test this assumption, we asked survey participants if they are also a member of a league team’s private supporters club (since members of private supporters clubs would most likely constitute a large part of the potential pool for future members of official supporters clubs from league teams). We then examined differences in preferences for major attribute levels and WTP using membership in the private supporters club as a factor and the utilities estimates and WTP as dependent variables in an ANOVA. If the differences are insignificant, it is possible to derive the implication, at least on a general level, that SCN members’ preferences are applicable in the context of professional league teams’ supporters clubs.

Additionally, membership in a league team’s private supporters club is used as a covariate in the analysis to improve the interpretation of the results regarding professional league teams’ supporters clubs.

After reliability tests, we received a sample size of 493 participants who fully completed the CBC and the contingent valuation section of the questionnaire. A description of the participants’ demographics is given in Figure 2.

Consistent with other studies on soccer-related issues (e.g., Theysohn, 2006), our sample consists of a large majority of male participants and we find 3-4 persons to be the most common household size. However, again in comparison with other soccer-related studies, participants in this sample seem to earn slightly more and tend to be slightly older, with almost 50% aged between 35 and 49.

Regarding soccer and membership-related characteristics (Figure 3), a large majority of the sample are very interested in soccer and almost 75% are either active or passive members of an amateur soccer club (which already provides a strong indication of where potential members could be sourced). About 30% of the participants are also members of a professional league team’s supporters club. More than 40% of the participants joined the SCN only shortly before the World Cup 2006, showing that parts of the membership applications are event-driven. The average satisfaction with both the current features as well as the annual fee can be considered to be quite high. However, it is surprising that the satisfaction with the annual fee is on average higher than the satisfaction with current features.

Results

Initially, we took a closer look at the preferences revealed for membership attribute levels. As participants are generally heterogeneous in their preferences, we use a latent class choice-based conjoint approach to identify segments in the market. The optimal number of segments is determined using the consistent Akaike information criterion (CAIC) to account for model fit and entropy R² to account for discriminatory power. Three segments prove to be the best solution for this sample. The validity of the results is examined through internal and predictive validity measures for the utility estimates. Both measures are specified as hit rates. Internal validity follows a comparison of the predicted and the actual choice decisions for the 12 choice sets in the estimation procedure. Predictive validity is assessed by a comparison of the predicted and actual choice decision for the holdout sets. Considering a stochastic hit rate of 25% for a choice decision with three membership alternatives and a non-option, the average hit rates of 58% and 62% are comparable to
FIGURE 3 Soccer- and membership-related information on the survey participants

INTEREST IN SOCCER

<table>
<thead>
<tr>
<th>Interest Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Little or No Interest</td>
<td>0.61%</td>
</tr>
<tr>
<td>Active</td>
<td>25.96%</td>
</tr>
<tr>
<td>Passive</td>
<td>32.25%</td>
</tr>
<tr>
<td>Very Interested</td>
<td>66.13%</td>
</tr>
</tbody>
</table>

SOCcer CLUB MEMBERSHIP

<table>
<thead>
<tr>
<th>Membership Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>41.78%</td>
</tr>
<tr>
<td>Active</td>
<td>25.96%</td>
</tr>
<tr>
<td>Passive</td>
<td>32.25%</td>
</tr>
</tbody>
</table>

SUPPORTERS CLUB MEMBERSHIP: LEAGUE TEAM

<table>
<thead>
<tr>
<th>Membership Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>70.39%</td>
</tr>
<tr>
<td>Yes</td>
<td>29.61%</td>
</tr>
</tbody>
</table>
Official supporters clubs

SUPPORTERS CLUB MEMBERSHIP: NATIONAL TEAM

<table>
<thead>
<tr>
<th>Term</th>
<th>Year</th>
<th>Membership (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. TERM</td>
<td>2003</td>
<td>18.26%</td>
</tr>
<tr>
<td>1. TERM</td>
<td>2004</td>
<td>7.30%</td>
</tr>
<tr>
<td>2. TERM</td>
<td>2004</td>
<td>6.29%</td>
</tr>
<tr>
<td>1. TERM</td>
<td>2005</td>
<td>13.18%</td>
</tr>
<tr>
<td>2. TERM</td>
<td>2005</td>
<td>13.18%</td>
</tr>
<tr>
<td>1. TERM</td>
<td>2006</td>
<td>41.78%</td>
</tr>
</tbody>
</table>

SATISFACTION WITH NATIONAL TEAM SUPPORTERS CLUB’S FEATURES

<table>
<thead>
<tr>
<th>Satisfaction Level</th>
<th>Year</th>
<th>Satisfaction (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Dissatisfied</td>
<td>2003</td>
<td>0.81%</td>
</tr>
<tr>
<td></td>
<td>2004</td>
<td>2.23%</td>
</tr>
<tr>
<td></td>
<td>2005</td>
<td>5.68%</td>
</tr>
<tr>
<td>Very Satisfied</td>
<td>2004</td>
<td>18.86%</td>
</tr>
<tr>
<td></td>
<td>2005</td>
<td>31.24%</td>
</tr>
<tr>
<td></td>
<td>2006</td>
<td>27.79%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13.39%</td>
</tr>
</tbody>
</table>
similar studies and indicate good internal and external validity (Theysohn, 2006).

In the second step, the contingent valuation estimates across respondents are analysed and validated. The weighted mean WTP over all segments is €34.78. While this value is considerably higher than the existing fee of €20, the direction and size of the deviation is in line with fees charged by other comparable national team supporters clubs such as England fans and the Scotland Supporters Club.

To investigate the validity of the results further we use two different measures of face validity. First, the estimated WTP is positively correlated with the participants’ general interest in soccer as well as with their satisfaction with the SNC’s annual fee. As expected, the relationship was positive and significant (p < 0.05) in both cases. Furthermore, the high overall satisfaction with the existing SCN’s annual fee of €20 itself supports the finding of an average WTP well above the current annual fee. Second, the results were discussed in interviews with the previously mentioned sports marketing experts, who classified them as realistic and plausible. The results therefore indicate face validity of the measured WTPs.

Segment 1 (see Table 3) is the largest segment comprising slightly over 50% of the sample. Members of this segment have a broad interest in mainly stadium-related features from all the product and service attributes. The most important membership attribute is tickets/travel, the right of first refusal for tickets for all games except WC/EC and the extra allowance for WC/EC. The focus on stadium experience is supported by the preference for two free tickets for an Under 21 game and Fan-tastic Moments (miscellaneous), the preference for game highlight reports on the internet, as members are likely to want to watch the game afterwards at home (multimedia), and the preference for 10% discount on fan club merchandise (miscellaneous). The annual fee plays a very limited role in the selection process for memberships, resulting in an insignificant fee parameter. The reason for this outcome could be that participants regard the expected utility of the membership to be considerably higher than the prices selected. This point is supported by the average WTP in segment 1 of €35.54, which is more than 40%
Segment 2 comprises one-third of the sample and exhibits cherry-picking behaviour as those sampled are predominantly interested in only one level of one attribute, namely the extra allowance for WC/EC. None of the other attributes, including the annual fee, are of considerable importance to the membership choice. Again, the utility derived from gaining access to limited and important tickets seems to be considerably higher than the selected annual fee levels. The average WTP in segment 2 is even slightly higher than the average WTP in segment 1.

Segment 3 is the smallest segment with about 15% of the participants. Among the product and service attributes, members of segment 3 are mainly interested in both ticketing options (right of first refusal for tickets for all games except WC/EC and the extra allowance for WC/EC) from the tickets/travel attribute. However, this segment is more price sensitive than the others as it places the greatest degree of importance to the membership choice on the annual fee. Moreover, the average WTP of segment 3 is considerably below the WTP of the first two segments, but remains above the selected annual fee levels.

### Official supporters clubs

<table>
<thead>
<tr>
<th>Official supporters clubs</th>
<th>• T-SHIRT + POSTER</th>
<th>• CAP + SCARF</th>
<th>• HIGHLIGHT DVD + KEY RING + FOAM HAND</th>
<th>• CALENDAR + FLAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>cbc: STARTER PACKAGE</td>
<td>0.06b</td>
<td>0.02</td>
<td>0.02</td>
<td>-0.09a</td>
</tr>
<tr>
<td></td>
<td>53.29%</td>
<td>12.32%</td>
<td>3.95%</td>
<td></td>
</tr>
<tr>
<td>cbc: MULTIMEDIA</td>
<td>0.09a</td>
<td>-0.02</td>
<td>0.02</td>
<td>-0.05c</td>
</tr>
<tr>
<td></td>
<td>10.89%</td>
<td>10.89%</td>
<td>5.36%</td>
<td></td>
</tr>
<tr>
<td>cbc: TICKETS/TRAVEL</td>
<td>0.29a</td>
<td>-0.02</td>
<td>0.28c</td>
<td>-0.20c</td>
</tr>
<tr>
<td></td>
<td>53.29%</td>
<td>53.29%</td>
<td>78.34%</td>
<td>36.22%</td>
</tr>
<tr>
<td>cbc: MISCELLANEOUS</td>
<td>-0.17a</td>
<td>0.03</td>
<td>0.07b</td>
<td>0.06b</td>
</tr>
<tr>
<td></td>
<td>19.03%</td>
<td>19.03%</td>
<td>7.39%</td>
<td>6.48%</td>
</tr>
<tr>
<td>cbc: ANNUAL FEE</td>
<td>-0.001</td>
<td>-0.006</td>
<td>4.96%</td>
<td>-0.056a</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>45.47%</td>
</tr>
</tbody>
</table>

* Part-worth utility,  ** Relative Importance,  a p < 0.01,  b p < 0.05,  c p < 0.10
The following analysis of the influence of respondent-specific factors such as SCN membership satisfaction, demographics and psychographics on the allocation of segment memberships allows further interpretation of each segment. The psychographic constructs in this study describe the motives of individuals who are willing to invest financial and emotional resources in following and watching sports. The measurement items for the constructs investigated, being achievement, drama, escape and physical skills, are taken from the Motivation Scale for Sport Consumption (MSSC) (Trail & James, 2001). Cronbach’s alpha for the constructs varies between 0.62 and 0.806. On average, 65.62% of the variation in an item is explained by these factors.

The probability of belonging to segment 1 increases with household size. Even though segment 1 joins SCN relatively early and shows a higher identification with the achievements of its team, it does not really appreciate the physical skills. Thus, members of this segment tend to be rather settled and use the watching of soccer as an escape from everyday life. However, participants in this segment are also more likely to be members of a league team supporters club, which shows a greater degree of involvement, leads to an interest in all membership attributes with a focus on the live game experience in the stadium (as described earlier) and supports the relatively high average WTP. Thus, the segment is called Hardcore Fan. The familiarity with features from other supporters clubs presumably decreases the satisfaction with current SCN products and services. Yet, the annual fee of SCN seems to be low relative to members of segment 1 as they tend to be rather satisfied with the current level.

Segment 2, which almost solely focuses on the extra allowance of tickets for WC/EC, can be described as Event Hopper. Members of this segment have a rather small household size and enjoy the dramas of a soccer tournament or game. They appear to have planned their efforts to get tickets for the WC 2006 in Germany well in advance as they joined SNC rather early. The comparatively high satisfaction with SCN products and services leads to the assumption that a large part of the segment was successful in the attempts to obtain tickets.

Older participants who appreciate the physical skills of the players and do not use the support of a team as an escape from everyday life are most likely to be members of segment 3, which is therefore called

---

**TABLE 4** Factors influencing segment membership

<table>
<thead>
<tr>
<th>COVARIATES</th>
<th>SEGMENT 1 ‘HARDCORE FAN’</th>
<th>SEGMENT 2 ‘EVENT HOPPER’</th>
<th>SEGMENT 3 ‘FORMER PLAYER’</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPPORTERS CLUB MEMBERSHIP: LEAGUE TEAM</td>
<td>0.445*</td>
<td>0.152*</td>
<td>-0.544*</td>
</tr>
<tr>
<td>LENGTH OF MEMBERSHIP IN NATIONAL TEAM SUPPORTERS CLUB</td>
<td>0.222*</td>
<td>0.271*</td>
<td>0.164*</td>
</tr>
<tr>
<td>SATISFACTION WITH NATIONAL TEAM SUPPORTERS CLUB’S FEATURES</td>
<td>N.S.</td>
<td>-0.130</td>
<td>-0.194</td>
</tr>
<tr>
<td>SATISFACTION WITH NATIONAL TEAM SUPPORTERS CLUB’S ANNUAL FEE</td>
<td>N.S.</td>
<td>N.S.</td>
<td>0.176</td>
</tr>
<tr>
<td>AGE</td>
<td>N.S.</td>
<td>N.S.</td>
<td>N.S.</td>
</tr>
<tr>
<td>HOUSEHOLD SIZE</td>
<td>0.063*</td>
<td>-0.259*</td>
<td>N.S.</td>
</tr>
<tr>
<td>ACHIEVEMENT</td>
<td>0.106*</td>
<td>N.S.</td>
<td>0.098*</td>
</tr>
<tr>
<td>DRAMA</td>
<td>N.S.</td>
<td>N.S.</td>
<td>N.S.</td>
</tr>
<tr>
<td>ESCAPE</td>
<td>0.164*</td>
<td>N.S.</td>
<td>0.157*</td>
</tr>
<tr>
<td>PHYSICAL SKILLS</td>
<td>-0.165*</td>
<td>N.S.</td>
<td>0.291*</td>
</tr>
</tbody>
</table>

*p < 0.01, *p < 0.05, *p < 0.10, N.S. – not significant
Former Player. Segment 3 members are less likely to be members of a league team’s supporters club and tend to be less satisfied with the SCN’s annual fee compared with the other segments, which underlines its price sensitivity.

In summary, the most important attribute levels of a supporters club across all segments are related to ticket sales, namely the right of first refusal for tickets and the extra ticket allowance. This is very interesting as both services come at a minimal direct cost to a soccer club or federation. Given the large demand for soccer in general and supporters clubs in particular (e.g. the SCN has gained over 40,000 members in only three years and the Dutch national team supporters club over 60,000 in 10 years) combined with the estimated considerable average WTP of €34.78, it seems plausible that, even ignoring other potential benefits such as improved stadium atmosphere and security, the formation and management of supporters clubs could be feasible solely as a new source of income for soccer clubs.

Furthermore, the preference of segments 2 and 3 for caps and scarves and the preference of segment 1 for a T-shirt as a giveaway in the starter package hints at the potential for a highly aesthetic stadium atmosphere in which large sections of the stadium are occupied by fans with matching supporters’ merchandise.

To test the transferability of the results and interpretation from members of the SCN to potential supporters clubs of league teams, we conducted an ANOVA to check for differences in preferences for the ticketing attribute levels (as the overall most preferred features) as well as for WTP between SCN members who also joined the supporters club of a league team, and for solely SCN members. As the differences are insignificant (p > 0.05), we presume that the implications based on this study could, with some caution, be transferred to non-national team supporters clubs.

In terms of designing a supporters club, the study has revealed preferences for the three major member segments. The selected attributes and most attribute levels can be adopted from supporters clubs of league teams. The attribute level ‘extra ticket allowance for WC/EC’ is based on the basic idea that demand exceeds the amount of available tickets for special games or events and can be transferred to soccer clubs (e.g. certain cup games, international games and finals). Closer analysis of the three segments reveals that participants who are already members of private supporters clubs of league teams are predominantly found in segment 1, which is therefore the most relevant segment regarding design implications for supporters clubs of league teams. However, given the size of the market for potential members, the overall preference structure could be similar to that of SCN, which creates opportunities for price discrimination strategies (e.g. premium membership).

Discussion

As existing literature has already investigated behavioural and attitudinal aspects, this study chose to address the economic aspect of fan loyalty. In particular, we propose that soccer clubs can increase revenues, as well as improve stadium atmosphere and security, by the formation and management of an official supporters club. Supporters clubs function similarly to CLPs in non-sports businesses as they attempt to create a mutually beneficial long-term relationship between two parties. Currently, most professional soccer clubs in Europe still outsource supporters clubs to private persons, while more and more soccer federations are successfully starting official supporters club. However, soccer federations are generally more concerned about the stadium atmosphere and security than profitability. Using a sample from members of the German national team supporters club, we identify preferences and WTP for potential attributes and attribute levels and identify profitability aspects such as a fixed income due to annual fees and low costs for the tickets sales as the preferred supporters club service.
Due to insignificant differences in WTP and preferences between SCN members and members of private supporters clubs in our study, we propose that the results of the analysis and interpretations can be transferred at a general level to professional soccer clubs in Germany and beyond. Moreover, we find second-order evidence for our conclusions when we look at supporters clubs in different countries.

For example, the official supporters clubs from England (EnglandFans), Scotland (Scotland Supporters Club) and the Netherlands (Supporters Club Oranje) build up customer loyalty by providing newsletters, special ticket offers and concessions. Beyond ticket offers, those supporters clubs use at least partly the option to increase revenues through the sales of merchandising products (e.g. exclusive pin badges, kilt pins) and cross-selling (member discount cards). The Scotland Supporters Club also uses this outlet to spread new/innovative products (monthly e-zines) and to improve stadium atmosphere (CD of Scotland anthems).

As soccer has evolved into a big business with tremendous fan interest in domestic and international leagues, soccer clubs appear to have a large pool of potential supporters club members. With instruments like member-orientated activities and the provision of a central internet platform for communication among fans, a supporters club can launch, increase and maintain identification with and emotions for the club and its team. By charging an annual fee as well as pay-per-use fees for additional products and services, a soccer club could easily convert this identification and these emotions into money. This is especially true as revenues for the soccer club increase with the number of members. However, potential problems with increasing size (e.g. less exclusivity, lower chance of tickets for current members) have to be considered.

Besides the annual fee, supporters clubs can function as an additional distribution channel for tickets, which allows further price discrimination opportunities (e.g. through discounts) and could help to optimise yield management. Moreover, the sales of merchandise can be promoted through membership packages in combination with an increase in the annual fee or through specially targeted promotions to members. The inclusion of new products such as internet or mobile phone products and services in the membership package could also be a viable strategy to increase the speed of adoption and create new sources of income in the future. Finally, a supporters club offers several opportunities for new sponsorships and advertisements. Clubs can, for example, sell naming rights (e.g. XY supporters club powered by YX) as well as banner space on the website or advertising space at club activities such as fan tournaments.

Apart from profitability aspects, supporters clubs also offer advances in stadium atmosphere and security. Increases in the use of merchandise such as clothes and flags in the team colour, as well as the organised dissemination and performance of club songs by the supporters club, could be expected to create a more colourful and supportive atmosphere. Moreover, the improved integration of fans into the fan community through a 24/7 accessible online community, with communication options such as chat rooms, as well as adequate event marketing through fan projects inside and outside the stadium, further increase the social aspect of identification and emotional affiliation. In addition, event marketing activities can be used as entertainment for the whole stadium before, during and after the game in order to generate attention and interest in supporters club membership.

With regard to security, improved communication, integration and participation of fans in supporters club projects and activities could serve as an instrument of aggression and violence prevention. Furthermore, knowledge of who is buying tickets for which seats in the stadium could lead to faster identification and exclusion of people conducting criminal offences and improved cooperation with the police.

As the aim of this research was to outline the economic potential for the formation of a supporters club in general, future research could further investigate the demand side, with a focus on existing...
private supporters clubs. It should be noted that our study is limited to an untapped potential for revenue, which does not immediately imply profitability. As the implementation and running costs can vary greatly among soccer clubs, they could not be included in the analysis. For future research, it would be interesting to analyse the cost structure of existing supporters clubs with a view to deriving a more accurate picture of the underlying profit implications.

In summary, this study shows that supporters clubs can function as CLPs to improve and maintain fan loyalty. The preferences and WTP of members of the German national team supporters club underline the fan interest and reveal design options, so that official supporters clubs could become an additional source of income with concomitant non-monetary benefits.

**Biographies**

**Sven Theysohn** received his PhD in marketing at the Goethe-University of Frankfurt, Germany. His primary research interest is pricing strategies. He has worked with major German soccer clubs and the German soccer federation and has published research articles in journals such as International Journal of Sports Marketing & Sponsorship and Journal of Marketing Management.

**Oliver Hinz** is an assistant professor at the Goethe-University of Frankfurt, Germany. His research interests include online pricing, elicitation techniques for willingness to pay and interorganisational electronic commerce.

**Steve Nosworthy** received his masters in law from the University of Melbourne, Australia. Since graduating he has worked in corporate tax law and business process consulting.

**Michael Kirchner** is head of event management at the German FA (DFB) and is responsible for the organisation of the German National A-Matches and the National Cup Final. Prior to his current position he was responsible for Fan Club Nationalmannschaft, the official supporters club of the DFB.

**References**


Sebastian, R. & Bristow, D.N. (2000) Win or lose, take me out to the ball game! An empirical investigation of loyalty proneness among college students, Sport Marketing Quarterly 9(4), 211-220.


Effects of atmosphere at major sports events: a perspective from environmental psychology

Keywords
atmosphere
environmental psychology
sports stadium
sports fans
sports events

Abstract
This conceptual article presents a theoretical approach to understanding the atmosphere at sports stadiums. Using the environmental psychology behavioural model proposed by Mehrabian & Russell (1974), and taking into account recent findings in consumer research, we develop a comprehensive framework for investigating this atmosphere. The framework highlights the role of emotions elicited by different stimuli in sports stadiums. We also suggest a number of direct and indirect influences on behavioural outcomes, caused by the emotional reactions and personal predispositions of spectators – influences that are of economic relevance. The proposed framework also forms a starting point for future empirical studies.

Executive summary
This conceptual paper develops a theoretical framework for investigating the atmosphere at sports stadiums. It does so by applying an emotion-oriented approach grounded in environmental psychology and drawing on current research in the field of consumer behaviour. Atmosphere is a pivotal factor in the popularity of consumption of live sport, but has rarely been investigated from a scientific perspective. Existing sports environment models do not adequately account for the causes and effects of specific atmospheres found in sports stadiums. We argue that the characterisation of an atmosphere requires information on both the human perceptions of the environmental conditions and the emotional responses elicited. Thus we define stadium atmosphere as a specific emotional response to the entirety of stimuli in a particular environment. Experiencing this atmosphere is essential to the satisfaction of
Atmosphere at major sports events

individuals’ hedonistic consumption needs.

As a theoretical background we employ the environmental psychology behavioural model of Mehrabian & Russell (1974). This model proposes the substantial influence of environmental stimuli on peoples’ emotional states, behavioural reactions and evaluations, depending on their personal predispositions. A number of empirical studies in consumer behaviour research have verified the links suggested in this model and confirmed the model as a suitable theoretical framework for the examination of atmosphere in retail stores. The results of these studies reveal that store stimuli can be utilised to induce emotional states, influence evaluations and channel consumer behaviour.

In the case of a retail store, the experience of atmospherics is mostly an additional value-creating factor in the shopping trip. By contrast, the experience of atmosphere in a sports stadium is usually considered a core part of the total service. Hence, we expect the relationships shown to exist in retail stores to be even stronger in the context of sports events.

This paper takes into account both the results provided by consumer behaviour research and the specific nature of sports events. Mehrabian & Russell’s model is transferred to the environment ‘sports stadium’. An important modification concerns the component of the model that depicts the stimulus volume of this environment. Mehrabian & Russell introduce the concept of “information rate” to measure the stimulus volume of particular locations. This approach is extended here, taking into account the different sources and groups of stimuli that prevail in a sports stadium and are responsible for the creation of stadium atmosphere. These include the organiser, the spectators and the action within the game.

Further modifications of the model are related to the personal predispositions of the spectators. These predispositions determine their emotional and behavioural reactions to a specific stadium atmosphere. The spectators’ motives, level of identification, frequency of attendance and willingness to participate in typical spectator activities may influence their perception (and evaluation) of a specific configuration of stimuli in the stadium. We also make a number of recommendations on how to improve the measurement of spectators’ emotional reactions.

Finally, a comprehensive framework is developed that shows approaches for empirical studies examining stadium atmosphere. Within this framework, Mehrabian & Russell’s original model is extended by the addition of a number of specific components. The framework also identifies additional linkages among the model’s components that can be expected in the context of sports events.

This article thus represents a first step towards understanding a number of basic issues, including the definition and operationalisation of stadium atmosphere, spectator preferences concerning the atmosphere in a stadium, and the behavioural reactions caused by the atmosphere in sports stadiums. The framework identifies possible approaches for empirical studies. We pose ten research questions that may be addressed in future academic work. A better understanding of the concept of stadium atmosphere will also ensure a more consumer-based approach to the handling of the current movement away from the traditional sports stadium and towards the modern ‘experience arena’.

Atmosphere in sports stadiums

Experiencing the special atmosphere of a sports event is regarded in sports marketing literature as one of the pivotal value-creating elements of live sport consumption. Both theoretical considerations and empirical findings show that an emotionally appealing atmosphere is one of the most important motives for spectators attending an event (Bauer et al, 2005; Friederici, 1998; Holt, 1995; Thörner, 2001; Wakefield & Blodgett, 1999; Wann & Wilson, 1999; Wochnowski, 1996). The atmosphere at a sports event makes a crucial contribution to emotionalising stadium visitors and satisfies their hedonistic
consumption needs (Hirschman & Holbrook, 1982). Sponsors of sports events take advantage of such atmospheric effects because they increase the effectiveness of advertising and help achieve emotional positioning of brands by anchoring advertising messages in the experiential world of the spectators (Christensen, 2006). The organisers of sports events in turn benefit from the atmosphere at the event as they generate a large part of turnover via sponsorship and ticket sales. For example, the 20 football clubs in Europe with the highest turnover generated between 34% and 69% of their total income from ticket sales and sponsorship in the 2006/07 season (Deloitte, 2008). Both factors can be positively influenced by an appealing event atmosphere.

Despite this, there has been little scientific research into the phenomenon of sports stadium atmosphere. Theoretical discussion of the concept of atmosphere, a conceptualisation and an appropriate operationalisation of this potentially multidimensional construct in the context of sporting events is still at a rudimentary stage (see, for example, Charleston, 2008; Wochnowski, 1996). It is still unclear what exactly is meant by 'stadium atmosphere' and what effects on behavioural reactions of spectators accompany the different configurations of stadium atmosphere. Furthermore, there is no validated knowledge about the components of stadium atmosphere and the actions that can be taken to improve or control the atmosphere in a sports stadium.

This conceptual paper aims to develop a theoretical framework for the investigation of sports stadium atmosphere by applying an emotion-oriented environmental psychology approach and the current findings of consumer behaviour research to the environment 'sports stadium'. Unlike existing sports environment models, the framework proposed here concentrates on idiosyncratic environmental stimuli in the 'sportscape' and highlights their influence on spectators' emotions and behavioural reactions. In addition, the framework identifies possible approaches for empirical studies. We pose ten research questions that may be addressed in future academic work, to help provide instructions for event managers on how to control stadium atmosphere in accordance with psychological processes of spectators and customer preferences. Moreover, a better understanding of the concept of stadium atmosphere will also ensure a more consumer-based approach to the handling of the current movement away from the traditional sports stadium and towards the modern 'experience arena'.

### Theoretical background

#### Definition of atmosphere

The term 'atmosphere' is used here not in its physical meaning – “the mixture of gases surrounding a celestial body” (Columbia Electronic Encyclopedia, 2007) – but in an aesthetic sense. In everyday speech, 'atmosphere' is primarily used to mean the 'emotional background' of places or situations. Luomala and Laaksonen (2000) characterise moods as the atmospheric background of experience. Thus phrases such as 'there was a great atmosphere' are often used to evaluate visits to restaurants, concerts or sports events.

For a theory-based investigation of atmosphere, it is first necessary to characterise this concept from a scientific perspective and thus formulate a working definition. We do this taking into account previous attempts to define and classify atmosphere in the marketing literature.

In 1973, Kotler introduced the term 'atmosphere' into the marketing literature, stating that the expression is used to describe the surroundings. 'Atmospherics' are perceived by visual, acoustic, olfactory and tactile senses. According to Kotler (1973, p.50) the phrase “having an atmosphere” is frequently used to describe the physical environment, as a factor evoking pleasant feelings. He points out that the atmosphere of a place can be characterised more properly by the addition of adjectives such as 'good', 'lively' or 'depressing'.
A large number of empirical studies in the area of retailing have dealt with the concept of ‘store atmosphere’, applying theories from environmental psychology. These studies share a similar research configuration in that they investigate the influence of environmental stimuli on shoppers’ emotional and/or behavioural reactions. However, they differ in terms of their conceptualisation of the construct atmosphere.

Two basic approaches to conceptualising the atmosphere of a location exist. One is environment-oriented, equating atmosphere with environmental stimuli or perceptions of environmental stimuli respectively (Babin & Attaway, 2000; Spies et al, 1997; Tai & Fung, 1997; Yalch & Spangenberg, 1990). The other approach is person-centred, interpreting atmosphere as a psychological state, such as an emotion or feeling (Berekoven, 1995; Gosh, 1990).

Wochowski (1996, p.181) deals specifically with the phenomenon of atmosphere in the context of sports events. He supports the environment-oriented perspective and defines atmosphere as “the totality of emotionally appealing environmental stimuli in a defined place”.

However, in this article we argue that characterising an atmosphere requires information on both human perceptions of environmental conditions and the elicited emotional responses – as suggested by Russell & Ward (1982), Buckley (1987) and Darden & Babin (1994). Only the joint consideration of perceived environmental variables and people’s emotional status, in addition to the linkage between the perceptions and emotions, gives the construct of ‘atmosphere’ a unique conceptual content. Our definition is thus:

Atmosphere is the emotional response to the entirety of stimuli in a particular environment.

Thus every location has a specific atmosphere caused by the sum of its stimuli. These stimuli lead to positive or negative evaluations of the location, depending on people’s subjective preferences and perceptions. We use the term ‘atmosphere’ without the positive connotation of the word in its popular usage. In the case of a sports event, the typical atmosphere can, in fact, be assumed to be a positively evaluated combination of perceptions of the environment and affective responses by the spectators. However, exceptions do occur, when stadium atmosphere elicits negative emotional reactions. This happens, for instance, if fans fear aggression from other spectators or find the crowded atmosphere uncomfortable.

Environmental psychology and the Mehrabian & Russell behavioural model

Environmental psychology – a relatively new area within the field of psychology – offers an appropriate theoretical background for the investigation of environments. It is concerned with the influences of the environment (e.g. buildings, landscapes, other people) on psychological processes and behaviours of the people in that environment, and addresses the question of how that environment can be designed to take human behaviour and preferences into account (Bell et al, 2001; Darley & Gilbert, 1985; Gifford, 1997; Holahan, 1986; Mehrabian & Russell, 1974; Russell & Ward, 1982).

According to environmental psychology, every clearly defined place which has features and components that can be perceived can be interpreted as an environment (Mehrabian, 1976). Correspondingly, places like restaurants, retail stores, residential areas or sports stadiums are all regarded as environments, and their impact on human beings can be examined from the perspective of environmental psychology.

Emotion-oriented approaches in environmental psychology reveal how emotions and behavioural reactions can be initiated by environmental stimuli. These approaches legitimise our definition of atmosphere. At the heart of this area of research is the environmental psychology behavioural model suggested by Mehrabian & Russell (1974) (Figure 1). The model is based on the SOR (Stimulus-Organism-Response) paradigm. Its general assumption is that
stimuli are processed in the organism and ultimately cause certain behavioural reactions in people.

Mehrabian & Russell's model aims to investigate the combined effects of environmental stimuli on people, rather than just investigating the influence of a single variable or a bundle of variables on an isolated behavioural parameter. Correspondingly, the entire volume of environmental stimuli of a specific environment is seen as the stimulus variable, indicated by the information rate. The more stimuli exist, and the stronger they are, the higher – and thus more emotionally rousing – the information rate.

Three intervening variables specify the emotional reactions evoked by the information rate and cause either approach or avoidance behaviour (reaction variables). These three intervening variables are the dimensions pleasure, arousal and dominance (Mehrabian & Russell, 1974). As Mehrabian & Russell point out, all emotional states caused by the environment can be described by these three orthogonal dimensions. The variables approach and avoidance should not be seen simply as spatial distances; they imply various behavioural reactions to an environment. Approach is positive and signals interest, favour, better performance and the desire to stay or return to the environment. By contrast, avoidance is negative and includes behaviour such as withdrawal, criticism, dissatisfaction and limited performance (Mehrabian, 1976).

In their model, Mehrabian & Russell assume that a given environment evokes different emotional reactions in individuals depending on certain personal characteristics. They therefore add the variable individual predisposition. Mehrabian & Russell presume that the emotional dimensions pleasure, arousal and dominance can also be used to define the principal qualities of a person’s personality. Accordingly, people can be pleasure-oriented or non-pleasure-oriented, and see themselves in either a dominant or a subservient position. Special importance is attached to the personality dimension arousal. In regard to this dimension, people are distinguished as indolents if their absorption of an environment's stimuli is rather limited, and sensualists if they are more perceptive to the stimuli of an environment and hence perceive it as more arousing (Mehrabian, 1976).

Mehrabian & Russell’s model has been used as the theoretical background to a number of consumer research studies investigating the impact of store...
stimuli on emotional responses and behavioural reactions of retail store visitors. In the majority of studies, easily manipulated stimuli that have a direct emotional impact – such as odours, background music, and lighting – are considered as the store stimuli (Hygge & Knez, 2001; Milliman, 1982, 1986; Yalch & Spangenberg, 1990). Mehrabian & Russell’s model is therefore an obvious choice for empirical examinations in the field of consumer research.

The majority of studies state that their general goal is to be an investigation of the effects of ‘store atmosphere’. Their methodology includes testing and comparing the effects of different specifications of store stimuli (as independent variables) on emotional reactions and/or behavioural reactions of consumers (as dependent variables). A major problem in this context is in finding a suitable operationalisation of the store environment. One of the two following approaches is generally employed. The first is to apply Mehrabian & Russell’s approach to operationalisation, or a slightly modified form of it (e.g. Donovan & Rossiter, 1982; Groeppel, 1993; Tai & Fung, 1997). Mehrabian & Russell developed a verbal scale consisting of 14 pairs of adjectives for measuring the information rate of an environment. All 14 adjectives can be assigned to one of the two dimensions novelty and complexity. The second approach is to identify specific store stimuli such as music, lighting, product presentation, social factors, layout, store size and so on. These are then examined in addition to the information rate or as the only independent variables for factors like customer mood or the time and money spent in the store (e.g. Baker et al, 1994; Gardner & Siomkos, 1986; Grewal et al, 2003; Hygge & Knez, 2001; Spies et al, 1997; Milliman, 1982; 1986; Yalch & Spangenberg, 1990).

A number of studies have backed up with empirical data the basic causal linkages suggested by Mehrabian & Russell. Specific stimuli in the retail store environment have been shown to influence shopping-related behavioural reactions, such as the length of time spent in the store and unplanned increases in spending (Donovan & Rossiter, 1982; Donovan et al, 1994). In various studies, Groeppel & Bloch (1990) and Groeppel (1993) have investigated the effects of an experience-oriented store layout on mood and behaviour, taking into consideration different customer personalities. Their results reveal that sensualists have a better mood in an experience-oriented store environment, visit the store more frequently, evaluate it more positively and spend more time in the store than customers with a different personality type, such as indolents. These studies therefore confirm the influence of personal predispositions on the link between environmental stimuli, emotional responses and behavioural reactions as proposed in the Mehrabian & Russell model. In another empirical study, Baker et al (1992) demonstrated the mediating effect of emotional states on the link between environmental stimuli and behavioural reactions.

Overall, the various empirical studies investigating the concept of store atmosphere largely verify the links suggested in Mehrabian & Russell’s model. In the case of a retail store, the experience of atmospherics is at most an additional value-creating factor in a shopping trip. By contrast, the experience of a sports stadium’s atmosphere is usually considered a core product of the total service (Kotler, 1973). We therefore expect the relationships in the retail context to be even stronger in the context of sports events.

Applicability of existing sports environment models to sports stadiums

The importance of ‘place’ in the consumption of services in general, and live sports events in particular, is widely accepted (Campbell, 1987; Kotler, 1973; Westerbeek & Shilbury, 1999). Accordingly, a number of sports environment models have been developed in order to explain the impact of the physical surroundings of team-sports settings on
consumers’ psychological and behavioural responses. The majority of such models draw upon general concepts such as Bitner’s (1992) “servicescape” framework and Baker’s (1987) “categorisation of components of the service environment”, adapting them to sports facilities (Hightower et al., 2002; Wakefield & Blodgett, 1994, 1996; 1999; Wakefield & Sloan, 1995; Wakefield et al., 1996).

Drawing on Bitner’s (1992) concept of the “servicescape”, Wakefield & Sloan (1995) introduce the term “sportscape”. In the context of college football games, they investigate the influence of a number of environmental variables (food service, parking, fan control, crowding and cleanliness) on spectators’ desire to stay and their intention to attend future events at the stadium. A series of later studies take a similar approach, examining the influence of the physical surroundings of sports facilities on the emotional reactions and behavioural outcomes of fans (see references below).

Most of these models, however, were designed to investigate the servicescape of leisure settings in general and do not focus specifically on sports events and their environmental characteristics. Wakefield & Blodgett (1994), for example, conceptualise the servicescape with the two dimensions spatial layout/functionality and aesthetic, applying this conceptualisation to the investigation of a baseball stadium. Both environmental dimensions are specified with rather general aspects of the sports encounter, such as the seats, the hallways, food services (spatial layout), cleanliness, score boards and the exterior and interior construction (aesthetics). In a later study, Wakefield and Blodgett (1996) develop their conceptualisation of the sportscape by adding more environmental constructs to the model (e.g. layout accessibility, facility aesthetics, electronic equipment). However, these factors apply to the physical surroundings of many leisure service settings and do not give a sufficient account of the peculiarities of the sports event environment. Moreover, the model by Wakefield and Blodgett (1996) does not include emotional responses as mediators between environmental cues and the investigated dependent constructs perceived quality and satisfaction.

Another servicescape model developed by Wakefield and Blodgett (1999) also fails to give a sufficient account of the specific nature of sports stadiums. In this model, the authors divide a service-delivery setting into tangible and intangible service factors. The intangible service factors are those of Parasuraman et al.’s (1988) SERVQUAL approach, while the tangible factors are the constructs building design/decor, equipment and ambience. To test their model, Wakefield and Blodgett (1999) selected three different leisure service settings: a hockey game, a recreation centre and a movie theatre. Although these leisure service settings differ in their physical surroundings, Wakefield and Blodgett (1999) examined the same environmental stimuli for all three settings.

Wakefield et al. (1996) developed a model explicitly for sportscapes. Building upon the aforementioned approaches, they identify stadium access, facility aesthetics, scoreboard quality, seating comfort and layout accessibility as the factors of the sportscape that influence the affective response of pleasure. The factor layout accessibility is determined by two additional constructs, space allocation and signage. Furthermore, they include the construct perceived crowding, which mediates the linkage between the constructs seating comfort and layout accessibility and the perceived pleasure of spectators. From our perspective, Wakefield et al.’s (1996) model is a further example of a model that would capture the sports event environment much more effectively if it considered more stimuli unique to sports settings.

Another model specifically developed for sportscapes is that of Hightower et al. (2002, p.700). Following Baker’s (1987) and Bitner’s (1992) environmental frameworks, they conceptualise the sportscape using the constructs ambience and layout, in addition to consumer perceptions resulting from physical cues. This model considers at least some of the typical environmental stimuli found in a sports stadium, such as background noise and impressive overall physical surroundings. The model also investigates their
Atmosphere at major sports events

influence on the emotional construct positive affect. Nevertheless, Hightower et al’s (2002) model ignores several important stimuli in the stadium environment. For example, Westerbeek & Shilbury (1999) identify ‘shared rituals’ of fans as a specific stimulus at sports grounds – even for spectators who are not actively involved in the performance of these rituals. They also highlight aspects such as the “roar of the crowd, [...] the applause and booing, [...] the welcoming of the players on the ground and the famous terrace songs” (Westerbeek & Shilbury 1999, p.7).

Drawing on the Mehrabian & Russell model, Kao et al (2007) have recently developed a model that captures the influence of experiential elements during attendance at sports events (surprise, participation and immersion) by means of the construct emotional experience. This, in turn, impacts the dependent variables experiential attitude and experiential satisfaction. However, the personal predispositions of the spectators as mediating variables are not included in the model. Although the model offers a better description of experiential aspects during and after attendance at sporting events, it does not explicitly consider specific environmental stimuli. The experiential elements included as independent variables in the model are subjective feelings, rather than environmental stimuli (Kao et al, 2007). Thus, it is almost impossible to determine which factors of the sportscape are actually responsible for the emotional experiences of the spectators.

For this investigation, existing sports environment models are not able to capture fully the causes and effects of the atmosphere in sports stadiums. We therefore propose an advanced framework that, while drawing on existing models, considers a number of additional aspects that are outlined below.

• Our framework offers an approach for developing a comprehensive taxonomy of the idiosyncratic environmental stimuli in a sports stadium. This approach concentrates on the environmental aspects that are unique to sports settings and which create their specific atmosphere. Previous models mainly account for “dissatisfiers” of the stadium environment, such as cleanliness, parking space or stadium accessibility, and ignore “satisfiers”, such as the typical chants, applause and choreographic routines enacted by fans. Moreover, the stimulus component of our model explicitly considers the social aspects of the sports setting, ignored in most earlier studies (Tombs & McColl-Kennedy, 2003).

• The framework suggests a formative measurement of stadium stimuli, as they are all different facets of the environment. Such a measurement of sportscape variables may therefore be more valid than that of former studies, where formative indicators are often inappropriately used in reflective scales (Wakefield & Blodgett, 1999; Wakefield et al, 1996; compare also Jarvis et al, 2003, for the discussion on the misspecification of measurement models in the academic literature).

• Unlike most earlier studies, our framework accounts for different dimensions of the spectators’ affective responses and suggests various methods of measuring emotional reactions.

• As far as behavioural reactions are concerned, we focus not only on general judgement-driven constructs such as satisfaction or loyalty intentions, but also on sports spectator-specific variables such as active participation and (season) ticket sales.

• Our approach includes personal factors as mediating variables. This leads us to include variables typical for sports events, such as identification with the club.
Framework for examining stadium atmosphere

In this section, we attempt to transfer and extend Mehrabian & Russell's environmental psychology model to the environment 'sports stadium'. From a marketing perspective, each element of the Mehrabian & Russell model will be specified and adjusted to the context of a sports stadium, taking into account the specific characteristics of sports events (Figure 2). This leads us to a theoretical framework that points out approaches for the empirical investigation of atmospheric effects on sports spectators' behaviour. By posing research questions, we hope to inspire researchers to address different aspects of our framework in future empirical studies.

The stimulus volume in sports stadiums as the cause of stadium atmosphere

According to our definition, stadium atmosphere is generated by the entire stimulus volume that triggers emotional reactions in spectators. Therefore, the stimulus component in our framework is seen as the cause of stadium atmosphere.

A variety of stimuli can be identified in sports stadiums. Spectators usually show strong emotional reactions when they attend a major sports event – as can be seen on television, for example. However, Mehrabian and Russell's approach, using the latent variable information rate to measure the stimulus volume of an environment, has notable shortcomings when it comes to sports stadiums. Here, the variety of stimuli is greater than in the typical environments researched in consumer behaviour literature. Furthermore, the characteristics of the stimuli differ compared with stores, shopping malls and most other consumption environments.

Based on theoretical arguments, we suggest that the variety of stimuli in a sports stadium can be classified along two dimensions. The first dimension is the source of the stimuli; the second is the group to which the stimuli belong.

Three different sources of stimuli are responsible for the atmosphere at major sports events. Wochnowski (1996) distinguishes between organiser-induced stimuli and spectator-induced stimuli. Organiser-induced stimuli represent all elements that can be manipulated on a short-term basis (e.g. music,
lighting) and long-term basis (e.g. size and architecture of the sports stadium). Spectator-induced stimuli originate from the active participation of spectators when they attend a sports event (Baker, 1987; Tombs & McColl-Kennedy, 2003). This includes chanting, waving flags or whistling, for example. Passive spectators also contribute to the atmosphere, as spectators may be emotionally aroused by the sight of crowds of fans or by the perception that they are among like-minded people (Charleston, 2008). In addition, the action itself often includes exciting events such as goals or the tension of a close game. These are typical stimuli in a sports stadium. Therefore, we argue that the game-induced stimuli – stimuli originating from the game which are neither completely predictable nor under the organiser’s control – should also be considered.

We further distinguish three different groups of stimuli (Berlyne, 1971; Groeppel-Klein, 2005):

- **Affective stimuli** evoke pleasant or unpleasant emotions due to innate stimulus-response mechanisms, or the prior conditioning of spectators. Affective stimuli include biologically pre-programmed key stimuli and stimuli that are of particular importance for individuals (Groeppel-Klein, 2005). In a sports stadium, familiar songs, anthems and chants, or the scoring of a goal, are typical affective stimuli evoking emotional reactions in spectators.

- **Intense stimuli** are characterised by their physical properties, which elicit emotional responses (e.g. bright colours, spotlights, large screens, strong smells or loud sounds). Intense stimuli automatically trigger orienting responses in spectators (Groeppel-Klein, 2005). In a sports stadium, such stimuli come from different sources and include spotlights, loud music and whistling by spectators, for example.

- **Collative stimuli** are stimuli or different stimuli arrangements that arouse spectators due to their novelty or surprise value (Groeppel-Klein, 2005).

In a sports stadium, half-time surprises, unexpected chants from fans, or the wrong decision by the referee are typical collative stimuli affecting spectators’ arousal level.

These stimuli can be classified in a 3 x 3 matrix containing the three groups of stimuli – affective, intense, collative – and the three sources – organisers, spectators, action of the game (see Figure 3, ‘Environment’ box). It should be noted that this classification is based on theory and has not yet been tested empirically. At this point, the relevance of the different stimuli for eliciting positive emotional reactions in spectators is unclear. This issue is addressed in the following research question.

**Research Question 1: Which of the stimuli in a sports stadium have the strongest influence on spectators’ emotional reactions?**

We propose qualitative techniques – expert judgements or in-depth interviews with sports spectators, for example – to first identify the relevant stimuli. Next, the relevance of the stimuli can be examined by applying quantitative research designs.

In Research Question 2, we speculate about differences in these relationships between different groups of people, sports or league systems. Koenigstorfer et al (2008), for example, have shown that stadium atmosphere is a relevant determinant for the attractiveness of both the English Premier League and the German Bundesliga from the perspectives of their fans. Their study also reports that fans of UK star clubs – teams likely to appear high up in the league table – evaluate the atmosphere in their home grounds more positively than fans of UK underdogs – teams unlikely to feature high up in the league table. In Germany, the opposite is true. These findings suggest differences in the perceptions of fans of underdogs and star clubs between the two countries. This may also be true for different spectator segments and league systems, as stated in Research Question 2.
Research Question 2: Are there any differences concerning the impact of stimuli in a sports stadium between different spectator segments, sports or league systems (e.g. American versus European sports leagues)?

Emotional responses of spectators as psychological effects of stadium atmosphere
The aforementioned stimuli in a stadium elicit emotional reactions in spectators, which are the psychological representations of the stadium atmosphere. These emotional reactions are treated as intervening variables in our framework. In turn, they influence the behaviour of spectators. Many empirical studies into consumer behaviour confirm the influence of the emotional dimensions pleasure and arousal on behavioural outcomes for consumers at the point of sale (i.e. in stores or shopping malls) and to some extent in sports stadiums (Wakefield et al., 1996; see Koenigstorfer 2009 for an overview of the relevance of arousal for sports consumers). However, research has not found any support for the behavioural effects of the third dimension, i.e. dominance (Donovan & Rossiter, 1982). Russell & Pratt (1980) argue that cognitive processes are responsible for dominance, whereas pleasure and arousal are based on emotional processes. They conclude that dominance should be seen either as a preceding condition or as a consequence of emotional reactions. In our framework, we do not discard this dimension, since spectators may have emotions and feelings of dominance, especially when their team beats the other side (e.g. Kerr et al., 2005; Vallerand et al., 2008) and the experiences can be shared among fans of the same club (Weisbuch & Ambady, 2008). In this situation, the feeling of belonging to the ‘better team’ or being top of the league may influence the future behavioural outcomes for spectators. Research Questions 3 and 4 subsume our arguments:

Research Question 3: In a sports stadium environment, do all three emotional dimensions in the Mehrabian & Russell model – pleasure, arousal, and dominance – exist and affect the behavioural outcomes of spectators?

Research Question 4: If so, what emotions are the most important for the behavioural outcomes of the spectators in a sports stadium?

Empirical studies on the effects of specific environmental stimuli on spectators’ emotional states face several problems. Firstly, atmospheric conditions (as independent variables) are hard to control in empirical field studies, and laboratory studies are hardly feasible. For example, interactions between different spectators also trigger emotional reactions and it is difficult to distinguish these from more controllable sources, such as loud music.

Secondly, the emotions of the spectators have to be measured in a valid and reliable manner. There are two basic research paradigms for such research: appraisal theories and biologically-oriented emotion theories. Appraisal theories assess subjective experiences of individuals and explain emotions in terms of the cognitive interpretations of individuals. Typical instruments used for measuring are verbal scales (e.g. the Pleasure-Arousal-Dominance scale or the Thinking Aloud Technique). These have been criticised because of the problems of socially desired responses, time delays in measurements, uniform scale verbalisations and subjective self-evaluations of subjects (Groeppel-Klein, 2005). The second approach – biologically-oriented theories – is based on the findings of arousal theory and uses psychobiological methods for measurement (e.g. electrodermal reactivity or brain-imaging technologies). In these theories, emotions are considered to be biological functions of the central nervous system. However, sample sizes are usually small in such studies, and using such measurement methods in sports stadiums is impractical.

Both emotional research paradigms offer some advantages as well as shortcomings. Mixed-method approaches, using both quantitative and qualitative research methods, can address these shortcomings, for example by additionally conducting observations of spectators’ non-verbal communication. Facial Acting Coding Systems (FACS) and Facial Affect Scoring Techniques (FAST) are two such computer-assisted...
Atmosphere at major sports events

methods (see Cohn et al, 1999; Ekman et al, 1971; Ekman & Friesen, 1978). Woratschek et al (2006), for example, follow a qualitative research method. They observed soccer fans by video camera on their way to, in front of, and inside the stadium. The goal of their study was to examine key features in spectators' behaviour, body language and self-expression. Surveys previously carried out by the authors did not capture such aspects adequately due to the use of standardised items, socially desired responses by subjects, and problems of verbalisation.

Therefore, we conclude that using a single instrument cannot fully measure the emotions of spectators elicited by stadium stimuli. In this case, the true emotions of spectators remain unclear because of the lack of reliability and validity of the different measurement methods. However, a combination of measurement instruments can address these shortcomings – taking into account the disadvantages of cognitive reflections in verbal responses, either measuring the valence of emotions (positive versus negative) or assessing discrete emotions, and capturing emotional reactions occurring at the same time as the events in the stadium. Furthermore, combining different research methods ensures that emotional reactions to all the affective, intense and collative stimuli in the stadium are captured. This is necessary since the stimuli act individually and not independently of each other (Turley & Milliman, 2000). This leads us to the following research question:

Research Question 5: How can the emotional responses of spectators to environmental stimuli in a sports stadium be measured in a reliable, valid and practical way?

Spectator typologies as personal predispositions

Mehrabian & Russell (1974) assume that personal predispositions determine the stimuli-induced emotional and behavioural reactions of individuals. Groeppel & Bloch (1990) replicate these findings for female shoppers in a furniture store. We suggest that personal predispositions are also relevant for the effects of a specific atmosphere in a sports stadium. Spectators may perceive the stimuli in a sports stadium differently, and preferences for the character of stadium atmosphere may be heterogeneous.

Spectators of major sports events have been the subject of research in different fields since the 1970s (Messing & Lames, 1996). A number of different classifications of spectators are used in sports management literature. Herrmann (1977), for example, distinguishes fans from other spectators – however, this classification is not based on theoretical assumptions or on empirical results. Stollenwerk (1996) argues that supporters should be further differentiated, proposing a continuous scale running from neutral spectator to fanatic. Fan identification describes the commitment of individuals to clubs or particular sportsmen and sportswomen (Wann & Branscombe, 1993). The results of empirical studies highlight the relevance of fan identification for the emotional reactions elicited by the sports events visited (Schwarz et al, 1987; Strauß, 1995).

The perception of the specific atmosphere in a sports stadium and the behavioural effects of the atmosphere involved might also be affected by spectators' differing motives. A motive is "a recurrent concern for a goal state based on a natural incentive – a concern that energises, orients, and selects behaviour" (McClelland 1987, p.590). A variety of motives have been identified by empirical studies. They include striving for exciting sensations, enthusiasm or thrill (Klausen, 1992; Messing, 1996). Such motives may be satisfied in environments with strong stimuli. Researchers have also identified motives that are not consistently associated with environments composed of strong stimuli. Such motives include escapism, entertainment, affiliation and self-esteem (Beyer, 2006; Gray, 2001; Klausen, 1992; Messing, 1996; Sloan, 1989). Different spectators have different motives, so spectators driven by motives that are satisfied in an environment with strong stimuli may evaluate a specific stimulus configuration differently from those who want to satisfy motives such as escapism, entertainment,
Atmosphere at major sports events

affiliation or self-esteem. The results of environmental psychological studies confirm that the emotional reactions of individuals in a particular environment depend on the purpose of the visit (Russell & Snodgrass, 1987; Snodgrass et al, 1988; Ward et al, 1988).

**Research Question 6: What influence do spectators’ motives for attending a sports event have on their perception of stimuli and their emotional reactions?**

Friederici (1998) classifies the spectators of sports events along six dimensions: behaviour, interest in the sport, competence, age, social status and sport-specific violence. Interest in the sport can be seen as similar to the motives discussed above, since it addresses what drives spectators to attend sports events. Competence includes visiting frequency, among other variables, and may influence the subjective perception of a specific atmosphere in the form of habitualisation and familiarity. Friederici (1998) distinguishes between irregular spectators (accidental spectators, families and intellectuals) and regular/loyal spectators (away fans, fans, hooligans and experts). We postulate that the environmental perceptions of spectators who visit a sports event irregularly are different from those of spectators who show a high loyalty towards a specific sport or a sports club. For example, the familiarity of the shared rituals to regular visitors may influence their perceptions of this environmental stimulus and cause specific affective reactions, such as the pride of belonging to a social group.

**Research Question 7: How do variables such as regularity of attendance, age, social status or gender affect spectators’ perception of stimuli and the effects of these stimuli on emotional states in a sports stadium environment?**

The degree of participation may also be a relevant variable for the classification of spectators. Spectators who join in the clapping, singing and chanting themselves generate a key part of the stimulus volume in a sports stadium. Therefore, the active participation of spectators may have an influence on the perception of the different stimuli in a sports stadium and on emotional reactions. Spectators’ levels of participation and their awareness of being a part of the atmosphere in a sports stadium might also feed back on their motives for visiting a sports game. For example, the arousal and enjoyment that active spectators derive from their participation may mitigate the relative importance of the outcome of the game as a motive for attendance.

**Research Question 8: Are there different levels of awareness among spectators regarding their role in creating the stadium atmosphere, depending on their motives for attendance?**

Our framework expands Mehrabian & Russell’s model by including a path from personal factors to environment (see Figure 3). Spectators are one of the sources of the stimuli in a sports stadium. Therefore, stimuli that originate from the spectators vary according to the level of participation when spectators cheer, whistle, jump up and down, clap or show other behaviours typical for sports events such as Mexican waves. A packed stadium with a crowd of spectators shouting and moving about energetically evidently differs in its atmosphere from a stadium where the spectators sit still quietly, for example during a minute’s silence. In this case, we do not refer to variations in the degree of participation due to variables which are alterable on a short-term basis, such as specific moments in sports events, but to variables that are linked to the personality of the spectators. Thus, we conclude that personal predispositions may influence emotional and behavioural reactions of spectators on the one hand, and the characteristics of a specific stimulus
configuration in a sports stadium on the other hand. There is a lack of research on this topic and uncertainty as to how to segment spectators beyond their self-classification (i.e. whether in standing room, seated area or fan area etc.) and according to their needs and preferences.

Spectator behaviour as the consequence of stadium atmosphere

In Mehrabian & Russell’s model, the stimuli-induced emotional reactions of spectators result in behavioural reactions. From the perspective of a sports club or sports event manager, the behavioural reactions of spectators are of great importance, since they affect economic variables.

Behavioural reactions occur both on a short-term and on a long-term basis. As with consumer behaviour in stores, the short-term behavioural reactions of spectators in sports stadiums may include remaining longer (after the game) and spending more on drinks, food and merchandise etc. Baker et al (1994) point out that the positive emotions elicited by a store atmosphere lead to a more favourable perception of service quality. This relationship may also be observable for major sports events and can be interpreted as *approach behaviour* following Mehrabian & Russell.

Kotler (1973, p.48) has noted that “in some cases, the atmosphere is the primary product.” This may be particularly true for the atmosphere at major sports events. We see atmosphere as a primary product of sports events that satisfies the *experiential needs* of customers (Babin et al, 1994; Wakefield & Blodgett, 1999). This goes beyond the findings of consumer behaviour studies, in which atmosphere is mostly seen as a secondary product. We thus expand Mehrabian & Russell’s model and postulate that emotional reactions do not only affect long-term behavioural reactions, but also the *experiential value* of sports events.

Long-term behavioural reactions include the intention to (and action to) revisit, purchase season tickets, give positive word-of-mouth communication and attend additional events, as well as the creation of greater team and club identification, increased purchase of merchandise and perhaps becoming a sponsor or joining the club. In consumer behaviour research, there is evidence that a positive mood leads shoppers to evaluate the hedonistic value of shopping more positively, as well as having a positive influence on long-term purchase behaviour (Babin & Attaway, 2000). It is uncertain if this relationship also holds true for sports stadium spectators.

**Research Question 9:** Does the experiential value of a sporting event mediate the relationship between stadium atmosphere and dependent variables such as spectator satisfaction and positive word-of-mouth?

The specific nature of sports events implies that we should also include relationships that have not yet been tested in empirical studies using the Mehrabian & Russell model. We expect repercussions for some of the proposed relationships. For example, Tai & Fung (1997) state that in-store shopping behaviour is not only influenced by emotional states, but that there are also effects from behaviour *back* to emotional states. Therefore the relationship between emotional and behavioural reactions may be bidirectional.

In the case of major sports events, this would mean that the active participation of spectators (short-term behavioural reaction) induced by primary emotional reactions may further increase their *pleasure*, *arousal* or *dominance*. The emotions feed back into themselves and lead to a build-up of *arousal*. This might be the reason for the strength of emotions shown by spectators – and even more so by the sportsmen and women. This speculation should be investigated in future research, as formulated in Research Question 10:

**Research Question 10:** Is there a bidirectional link between emotional reactions and the active participation of spectators?
Additionally, the active participation of spectators influences the stimulus volume in the stadium. Stadium atmosphere has been conceptualised as a construct that is also formed by spectator-induced stimuli – by which we mean an inspiring atmosphere in the stadium, rather than the active participation of spectators due to their personal predispositions. Future empirical studies should investigate which of the proposed paths can be confirmed, and the relevance of each path. The answers to some of our research questions may therefore shed light on the causes and effects of sports stadium atmosphere from the perspective of environmental psychology. Figure 3 summarises the relationships outlined above.
Summary and conclusions

This article proposes a theoretical framework that describes the effects of the atmosphere at major sports events. The framework is based on the findings of environmental psychology – in particular the model of Mehrabian & Russell – and on recent empirical research in the field of consumer behaviour. The framework also takes into account the specific nature of sports events, considering this to be responsible for the uniqueness of the atmosphere found in stadiums. The framework can be used for two major purposes: to identify and specify relevant constructs, and to generate and test empirically hypotheses about the relationships between them (e.g. predictor, moderating and mediating variables).

Compared to earlier models, the approach suggested here allows researchers to identify sports-specific environmental stimuli (classified in a 3 x 3 matrix). It therefore enables a clearer understanding of the unique character of team-sports consumption environments. The framework makes suggestions for the consequences of spectators’ emotional reactions, as well as how to measure their affective responses in a valid, reliable and practical way. It considers differences between various spectator segments based upon psychological variables (motives, identification etc.) and behaviour-related variables (frequent visitors versus infrequent visitors; season-ticket holders versus those buying day-tickets), and proposes bidirectional relationships between some of the variables.

Limitations and future research

As with any conceptual paper, our framework lacks empirical evidence (in relation to the sports event environment). Empirical testing of the whole model as proposed in Figure 3 will hardly be possible. Our aim is to provide a framework that can be used by researchers to validate the proposed constructs on the origins and effects of the atmosphere at sports events, and to test the relationships between them. Future research can build upon our conceptualisation, determine the dependencies of the proposed variables, and attempt to answer certain aspects of the ten research questions through empirical study.

Future research is also necessary as spectators are seldom considered as consumers in every respect. As recognised by Funk et al (2003), sports consumer behaviour is an emerging subdiscipline of sports management and economics that will advance considerably in the coming decades. Also, the role of spectators’ emotional reactions at major sports events is not fully understood. In the literature on consumer decision-making, the role of emotions for consumers’ buying behaviour is receiving increasing attention (Bagozzi et al, 1999). This is of great importance to the managers of sports clubs, as a large part of their turnover is generated by spectators revisiting and spending their money on the services and products provided by the clubs.

Implications for sports clubs

Our findings also have a number of practical implications. Sports clubs and their managers should make efforts to influence the atmosphere at stadiums, drawing on a variety of methods and stimuli. They must take into account spectators’ needs at the ‘point of sale’, i.e. the sports stadium. Furthermore, as proposed by our model, sports managers should try to influence the emotional state of spectators, depending on their personal characteristics. If they can succeed in inducing positive emotional states, the club may benefit from positive behavioural outcomes such as revisiting, positive word-of-mouth communication and an increase in merchandise sales. The current trend is away from traditional sports stadiums and toward ‘experience arenas’. In this context, managers should pay close attention to the findings of environmental psychology and try to further ‘emotionalise’ their clients (i.e. the spectators). This may help to retain the spectators despite any long-term ups and downs in team sporting success, as shown by Koenigstorfer & Uhrich (2009).
Atmosphere at major sports events

Finally, sponsors are also key stakeholders in sports clubs. Companies engaging in sports sponsorship aim to position their brand emotionally. Our theoretical framework has implications for sponsors – for understanding how the emotional effects of the atmosphere in sports stadiums might help transfer such emotions to brands presented in the stadium.

© 2009 International Marketing Reports

References


Atmosphere at major sports events

Automated face analysis by feature point tracking has high 
concurrent validity with manual FACS coding, Psychophysiology 
36(1), 35-45.

Darden, W.R. & Babin, B.J. (1994) Exploring the concept of 
affective quality: expanding the concept of retail personality, 

of environmental psychology' in Lindzey, G. & Aronson, E. (eds) 
The Handbook of Social Psychology (3rd edn), volume II. 
Reading, MA: Addison Wesley, 949-991.

at Deloitte: Manchester.

of Retailing 58(1), 34-57.

Donovan, R.J., Rossiter, J.R., Marcoolyn, G. & Nesdale, A. 
(1994) Store atmosphere and purchasing behavior, Journal of 
Retailing 70(3), 283-294.

(FACS): a Technique for the Measurement of Facial Actions. Palo 

Scoring Technique: a first validity study, Semiotica 3(1), 37-58.

Spectators' Violence, Studies on Sport Sociology 
[Sportbegeisterung und Zuschauergewalt, Studien zur 

Sports [Die Fußballfans: Untersu-chungen zum Zuschauersport]. 
Schorndorf: Hofmann.

the role of the physical environment in hedonic service 
consumption: an exploratory study of sporting events, Journal of 
Business Research 55(9), 697-707.

Holahan, C.J. (1986) Environmental psychology, Annual Review 
of Psychology 37, 381-407.

consumption practices, Journal of Consumer Research 22(1), 
1-16.

Kao, Y.F., Huang, L.S. & Yang, M.H. (2007) Effects of 
experiential elements on experiential satisfaction and loyalty 
intentions: a case study of the super basketball league in 
Taiwan, International Journal of Revenue Management 1(1), 
79-96.

Emotional dynamics of soccer fans at winning and losing games, 
Personality and Individual Differences 38, 1855-1866.

Klausen, K. (1992) 'Management and marketing in sports 
unions' ['Management und Marketing in Sportvereine'] in 
Zimmer, A. (ed) Sports Unions Today – Between Tradition and 
Innovation: a Contribution to Third Sector Research [Verein heute 
– zwischen Tradition und Innovation: ein Beitrag zur Dritten-
Atmosphere at major sports events


Atmosphere at major sports events


Editorial policy

The Journal welcomes the submission of academic and practitioner research papers, articles, case studies, interviews and book reviews. Submissions should aim to educate and inform and should ideally focus on a specific area that is pertinent to the subject matter of the Journal, as detailed below. In all instances, the editorial team seeks to publish submissions that clearly add value to theory and/or practice in sports marketing and sponsorship.

Aims and scope

The mission of the Journal is to bring together academics and practitioners in one forum, with the intent of furthering knowledge and understanding of sports marketing and sponsorship. The Journal interprets sports marketing and sponsorship broadly, to include:
- fans and customers
- individual performers and endorsers
- teams and clubs
- leagues and competitions
- events and stadia
- sponsors and properties
- retailers and merchandisers
- suppliers and intermediaries
- broadcasters and the media
- governing bodies and representative associations
- places, spaces and cities
- economic and social development initiatives
- magazines, newspapers and websites
- betting and gambling services
- sportswear manufacturers
- gaming and collecting.

We encourage submissions from a wide variety of perspectives, including marketing, all areas of management, economics, politics, history, sociology, psychology, cultural studies and anthropology.

All articles should be written primarily to inform academics and practitioners directly or indirectly involved in the sports marketing and/or sponsorship industries. Articles that detail results of original work are accorded high priority. The Journal also invites reports on new or revised business techniques, perspectives on contemporary issues and results of surveys.

Case studies and reviews of books and/or reports are welcomed. For these, we request that copies of the book/report be sent to the Editor and to the Publisher.

Research articles should be well grounded conceptually and theoretically, and methodologically sound. Qualitative and quantitative pieces of research are equally appropriate.

The Editor is willing to discuss and advise on proposed projects. This is no guarantee of publication. Submissions are double-blind peer reviewed according to the following general criteria:
- clarity and content of the abstract
- problem or issue definition and justification
- relevance and rigour of literature review
- credibility, appropriateness and relevance of research methodology and in the reporting of results
- quality and relevance of conclusions and recommendations
- value added by the submission to academic and practitioner understanding of sports marketing.

Format and style

Research articles should normally be no less than 4,000 and no more than 8,000 words.

Case studies of no less than 2,500 and no more than 5,000 words should be objective rather than promotional and should follow the following format: Background / Objectives / Implementation / Results / Conclusion. Interviews are welcomed, but should be discussed with the Editor. Book reviews should normally be less than 1,500 words.

Each article submitted for consideration should include an executive summary of up to 500 words, which gives a flavour of the article and includes the rationale for the study, methods used, key findings, conclusions and value added. A shorter abstract, of no more than 100 words, must also be included.
Footnotes and endnotes may be used but only where appropriate and as sparingly as possible.

Tables, charts, diagrams and figures should be in black and white and placed on separate pages at the end of the manuscript. Where data or image files have been imported into Word for tables, diagrams etc., please supply the original files. Authors must indicate in the main body of the text approximately where each table, chart, diagram or figure should appear.

Jargon should be kept to a minimum, with technical language and acronyms always clearly defined.

The accuracy of references is the responsibility of the author(s). Authors should refer to the Journal for style or use the Harvard system of referencing found at: http://library.curtin.edu.au/referencing/harvard.pdf

Submissions format

<table>
<thead>
<tr>
<th>Page</th>
<th>Details</th>
</tr>
</thead>
</table>
| Page 1 | - Title of the submission  
- Author(s) name(s), affiliation, postal address, email, telephone and fax  
- Up to six keywords  
- Specify: academic/practitioner paper  
- Biography of author(s) (50 words) |
| Page 2 | - Title of the submission  
- Executive summary (500 words)  
- Abstract (100 words)  
- Author details MUST NOT appear |
| Page 3 | - Title of submission; begin main text. |

For more specific style questions, please consult either a recent edition of the Journal or the Editor.

Based upon reviewer comments, the Editor will make one of four decisions:

- that the submission should be accepted for publication without amendments
- that the submission should be accepted for publication subject to minor amendments
- that the submission should be returned to the author(s) with recommendations for major changes before publication is considered again
- that the submission should be rejected.

Submissions accepted for publication will normally be scheduled to appear within 12 months of the author receiving written confirmation of acceptance from the Editor. Rejected manuscripts will not be returned.

Professor Michel Desbordes, Editor
International Journal of Sports Marketing & Sponsorship
ISC School of Management, Paris, France & University Paris Sud 11, France
Tel: +33 (0)1 69 15 61 57
Fax: +33 (0)1 69 15 62 37
Email: michel.desbordes1@wanadoo.fr