

Does Advertising Mitigate the Negative Effects of Losing on  
Satisfaction and Conative Aspects of Sport Attendance?

A Case Study in Intercollegiate Athletics

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## Does Advertising Mitigate the Negative Effects of Losing on Satisfaction and Conative Aspects of Sport Attendance?

### A Case Study in Intercollegiate Athletics

Men's basketball attendance for the National Collegiate Association of Athletics (NCAA) has grown since 1994, showing a 15.5% increase over that period (Figure 1) and setting new attendance records in 2007 (NCAA.com, 2008). NCAA women's basketball has also seen growth over the last decade as total attendance reached a new record of 10.88 million fans in 2007 (Figure 2). This is slightly over a 25% increase since the 1999-2000 season (NCAA.com). However, during these times of attendance growth, TV ratings for the NCAA tournament showed a downward trend from 1998 to 2003 where they bottomed out at a rating of 5.0. Since that 31.5% drop, ratings have improved through 2005 (the last year we were able to find the data) by 38% exceeding 1999 levels. This could be an indication of a turn-around for tournament ratings. However the ratings for the Men's Championship game which had shown an even more precipitous decline over the 1998-2004 period (38.2%) and then a jump in 2005 to a 15.0 rating, did not show continued improvement through 2006 or 2007, as figures dropped back to ratings in the 11s and 12s (Figure 3; Trail & James, 2008). This seems to indicate that the 2005 tournament and championship game were anomalies in a downward trend of ratings. The regular season TV ratings for NCAA Women's basketball have varied slightly, but have consistently been in the 1.1 to 1.3 range since 1996, although they did set a record high of 1.47 in 2004. Championship game ratings have fluctuated fairly substantially since 2000 with a high of 4.3 in 2004 and a low of 2.3 in 2007, but the fluctuations seem to be more dependent on the teams playing than any trend of fan interest in women's basketball (Trail & James, 2008).

At any time, but especially in times of fluctuations in attendance and ratings, sport marketers need to assess the effectiveness of their advertising plans. Advertising has been one of the major communication tools that sport organizations have utilized to reach their target markets, and have spent a fair amount of money doing it. For example, the NFL spent almost \$1 million to advertise their American Bowl in Tokyo, Japan in 2003 (Kaplan, 2003). However, most NCAA athletic departments do not spend anywhere near as much. For example, Rutgers University's Athletic Department's advertising budget is approximately \$500,000 annually and must cover all teams (Strauss, 2005). From the Equity in Athletics Disclosure Act (EADA) reports, it is evident that athletic department budgets continue to increase (EADA, 2007). From 2005 to 2006, for NCAA Division 1-A teams, the average budget increased 9%, from \$34.6 million to \$37.6 million. A small part of that increase may be due to increasing advertising budgets as athletic departments try to increase consumption of their products. However, an increase in money spent on advertising may not be advantageous and may not give a good return on investment. Overall, U.S. general advertising spending growth has slowed considerably since 2000 when it was growing at a 13% rate. In 2007 it was estimated to only grow 2.6% to \$153.7 billion (U.S. Ad Spend, 2007). This may be because organizations are realizing that advertising may not be effective in increasing consumer purchasing. Especially now, in what is a period of economic turmoil, sport managers and marketers must examine the effectiveness of all of their advertising strategies.

Mawson and Coan (1994) noted that National Basketball Association marketing directors indicated that advertising was an important communication technique. However, the level of importance placed upon advertising as a strategy was greater for directors of low attendance franchises than for directors of high attendance franchises. This suggests that advertising is perceived by marketing directors to be an effective tool for increasing attendance at sporting events, especially in negative conditions (losing records). In contrast, Siegfried and Eisenberg

(1980) found that advertising had little effect on attendance in minor league baseball. Similarly, Fink, Trail, & Anderson (2002) found that the perceived importance of advertising on the influence of attending collegiate basketball games was low for spectators at both men's and women's games. However, Cianfrone and Zhang (2006) found that advertising did increase brand awareness. Due to limited research relating to the effectiveness of advertising in sport related situations, especially in intercollegiate sport, sport marketers have little sport specific data to utilize in creating effective advertising strategies. Although research has shown varying effects of advertising on general consumer behavior, additional sport-specific research is necessary.

#### *Low-involvement Hierarchy Model*

Vakratsas and Ambler (1999) suggested that low-involvement hierarchy models of marketing/advertising are a viable alternative to the hierarchy of effects models on which much of marketing and advertising is based. Low-involvement specifically refers to low *behavioral* involvement, not cognitive or affective involvement. Hierarchical effects models have been examined within marketing and advertising for over a century (Barry & Howard, 1990). These models are typically based on the idea that cognition precedes affect, which precedes conation (intentions), which precedes purchase behavior (see Barry, 1987; Barry & Howard, 1990; Lavidge & Steiner, 1961; Vakratsas & Ambler, 1999). In contrast, the low-involvement models typically suggest that individuals proceed through the stages of cognition, then experience, then affect, and then repurchase behavior. However, cognition may be nothing more than passing awareness (i.e., mere recognition) in low-involvement situations. This may make the initial product usage experience the primary factor influencing repurchase behavior (Vakratsas & Ambler, 1999). In terms of sport consumption, an individual is cognitively aware of a game or event. The individual then goes to the game (the experience) and then has an affective response, or an affective/cognitive response such as satisfaction. Following the event, based on the satisfaction,

the individual may decide to purchase team merchandise, team apparel, or tickets to another game in the future. These repurchase intentions are known as conative loyalty (Trail, Fink & Anderson, 2003).

This information is critical to sport marketers in their attempt to sell games to consumers who have low behavioral involvement. Given that the product usage experience (e.g., satisfaction with attending the game) may be the most important factor that determines consumers' future repurchase behavior (Alba, Hutchinson, & Lynch, 1991; Deighton, Henderson, & Neslin, 1994; Marks & Kamins, 1988; Oliver, 1997; Vakratsas & Ambler, 1999), and if positive or negative consumption experience is determined by game outcome (Trail et al., 2003), then sport marketers may have little control over repurchase behavior. Based on the low-involvement hierarchy model, it is possible that a new customer to a stadium might not return for another game if the home team loses the game on the individual's first visit. In addition, single-game consumers are the segment of spectators that have been decreasing the most (NSGA.com, 2007). Thus, to increase patronage from new customers, marketers need to mitigate the possible effect of a negative product trial or a negative experience for new customers at an event if possible.

Smith (1993) examined the effect of advertising on a negative product trial (i.e., a negative initial consumption experience). He tested whether source of information (ad only, trial only, and ad plus trial), information sequence (ad/trial and trial/ad), and favorability of trial (positive and negative), influenced consumers' product evaluation. Smith found that experience had a larger impact on beliefs and attitude formation than advertising. However, advertising tended to mitigate a negative trial effect when it preceded the trial but had no impact on beliefs and attitudes when the trial was positive.

Although the influence of advertisement on subsequent trial experience has been studied (e.g. Marks & Kamins, 1988; Olson & Dover, 1979; Smith & Swinyard, 1982), Smith's (1993)

research tested how consumers integrate product information from two different sources (advertising and product experience). For the sports marketer, applying the low-involvement hierarchy effects model specific to Smith's results suggests that when advertising precedes attendance for new spectators, it should mitigate the effects of a negative game outcome on future intentions of consumption (conative loyalty). However, advertising should have little or no effect on conative loyalty for new spectators experiencing a positive-game outcome.

### *Satisfaction Model*

As we noted above, the low-involvement hierarchy model depicts that the product consumption experience elicits affect or satisfaction with the purchase, which then leads to repurchase intentions (conative loyalty). Oliver (1989; 1993; 1997) has examined this relationship extensively. In a test of their satisfaction model, Oliver and Burke (1999) determined that satisfaction explained 47.4% of repurchase intentions at restaurants. Harris and Goode (2004) found additional support for this relationship in that satisfaction explained 8% of the repurchase intentions in online book purchases and Da Silva and Alwi (2006) found that 19% of loyalty intentions were explained by satisfaction. Specific to sport consumption, Trail et al. (2003) found that satisfaction explained 11% of the variance in conative loyalty. Caro and Garcia (2006) also found a significant relationship between satisfaction and conative loyalty at a sporting event.

In all of these cases, satisfaction has typically been measured unidimensionally under the assumption that general satisfaction is the best way to determine future intentions. However, that may not necessarily be the case. Oliver (1993) suggested that there may be at least two types of satisfaction: satisfaction with attributes of the product and general satisfaction with the decision of the purchase. Oliver (1993) noted that the product-attribute satisfaction subscale was distinct from the general measure of satisfaction because the correlation between the two was only moderate ( $r = .50$ ). Specific to sport behavior, satisfaction has typically been measured generally as noted

above. In the Trail et al. (2003) research, they used three items to measure general satisfaction: satisfied, satisfied with the outcome, and satisfied with the performance of the team, but the internal consistency was low for the scale. Trail, Anderson, and Fink (2005) modified the satisfaction item "I am satisfied" to read "I am satisfied with my decision to attend," (p. 104). In evaluating the factor loadings of the items, Trail et al. (2005) noted that the "Satisfaction with the decision to attend" item had more unique variance associated with it than common variance, which may indicate that satisfaction with the decision to attend is distinct from satisfaction with the outcome supporting Oliver's (1993) distinctions. Distinct aspects of satisfaction might have differential effects on conative loyalty.

Thus, the purpose of this investigation was to use the low-involvement hierarchy model along with Oliver's (1996) satisfaction model to determine if pregame advertising mitigated the effects of a negative outcome (attending a game in which the home team lost) on conative loyalty through satisfaction. To achieve this objective we compared two groups of low behavioral-involvement sport spectators (novice attendees) on two slightly different models. Group 1 consisted of the spectators who saw the home-team win (positive trial) and Group 2 consisted of the spectators who saw the home-team lose (negative trial). Model 1 depicted both a direct and an indirect relationship between the Influence of Advertising and Conative Loyalty (behavioral intentions), with the indirect relationship depicting Advertising influencing Satisfaction with the Decision to attend the game, and then Conative Loyalty (Figure 4). Model 2 was the same as the first, except we used Satisfaction with the Outcome of the game instead of Satisfaction with the Decision to attend the game (Figure 5). Each group was tested on each model.

## Method

### *Sample and Procedure*

Data were collected from spectators at a large Midwestern university at two home men's intercollegiate basketball games. Both games were in the latter half of the conference season. There had been 11 home games before the first game surveyed. The second game surveyed was the following home game. The arena had 42 seating sections. During the first game, questionnaires were distributed to the spectators in the even numbered sections of the arena. At the second game, the questionnaires were distributed to spectators in the odd numbered sections in an attempt to prevent distributing survey to the same individuals and to get a representative sample. Spectators were approached as they entered each section prior to the game starting and asked if they were attending to watch the home team or to watch the visiting team. If they were going to watch the home team, they were then asked if they would be willing to complete a survey about why they attended the game. Very few chose not to do so. All subjects were informed that the IRB had given approval for the research. We contacted as many potential respondents as possible up until 15 minutes before the game started. If those at the second game had done the survey at the first game they were excluded the second time.

The respondents were asked to complete the scale measuring the influence of advertising on their ticket purchase prior to the game. After completion of this scale, the respondents were asked to hold on to the questionnaire until the end of the game and then complete the satisfaction items and conative loyalty items. The questionnaires were collected as the respondents exited the building. The instructions for completion of the survey were included in the questionnaire. Out of 669 surveys distributed at the two games, a total of 478 usable surveys were returned, a return rate of 71.4%. From these 478, we culled the 206 respondents that met our criteria of low behavioral involvement: having attended two or fewer games during the season, including the present game. For 75% of this group, this was their first game. From the group of 206, 123 individuals attended the game that the team won and 83 attended the game that the team lost.

Females comprised 42% of the relevant sample, a majority of respondents were Caucasian (95.5%), and the average age was 41.9 years ( $SD = 13.2$ ).

### *Instrument*

We used Fink et al.'s (2002) advertising scale, which consisted of 4 items measuring how influential advertising was on the respondent's decision to purchase a ticket to the game. The response format was a 7-point scale from 1 (not at all influential) to 7 (very influential). We used two items from Trail et al.'s (2005) satisfaction scale. The first was "I was satisfied with my decision to attend this game" and the second was "I was satisfied with the outcome of the game." We also used the four items from Trail et al.'s (2005) conative loyalty scale measuring future behavioral intentions such as attending games, buying merchandise, and supporting the team. The satisfaction items and the conative loyalty items were scored on a 7-point response format ranging from "Strongly Disagree" (1) to "Strongly Agree" (7). The advertising scale (Fink et al., 2002) and the conative loyalty scale (Trail et al, 2005) have shown adequate internal consistency and construct reliability previously. Demographic questions were also included.

### *Data Analysis*

First, we performed a confirmatory factor analysis using RAMONA in SYSTAT 7.0 to examine construct reliability and discriminant validity of the advertising scale, the conative loyalty scale, and the two satisfaction items. We used ANOVA tests to determine whether the two low-involvement groups (spectators at the game when the home team won vs. spectators at the game when the home team lost) differed across all of the variables as a validity check. We then used RAMONA again to test the two structural models depicted in Figures 4 and 5 for both (winning game and losing game) low-involvement spectator groups. We used several model fit indices including the root-mean-square-error (RMSEA [ $\epsilon_a$ ] values  $< .06$  indicate good fit; Hu & Bentler,

1998), the test of close fit ( $H_{0 \text{ close}}$ ; e.g., Browne & Cudeck, 1992), the chi-square test statistic per degree of freedom ( $\chi^2/df$ , values 2.0 – 5.0 indicate good fit; Bollen, 1989), and the percentage of residuals greater than .01 (< 10% indicate good fit; Bagozzi & Yi, 1988).

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## Figure Caption

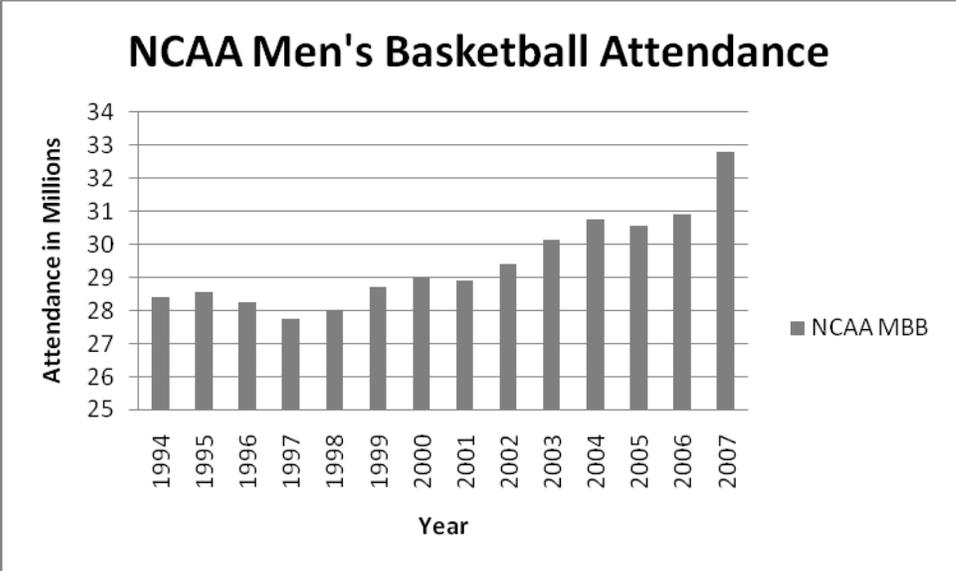
*Figure 1.* Attendance for NCAA Men's Basketball.

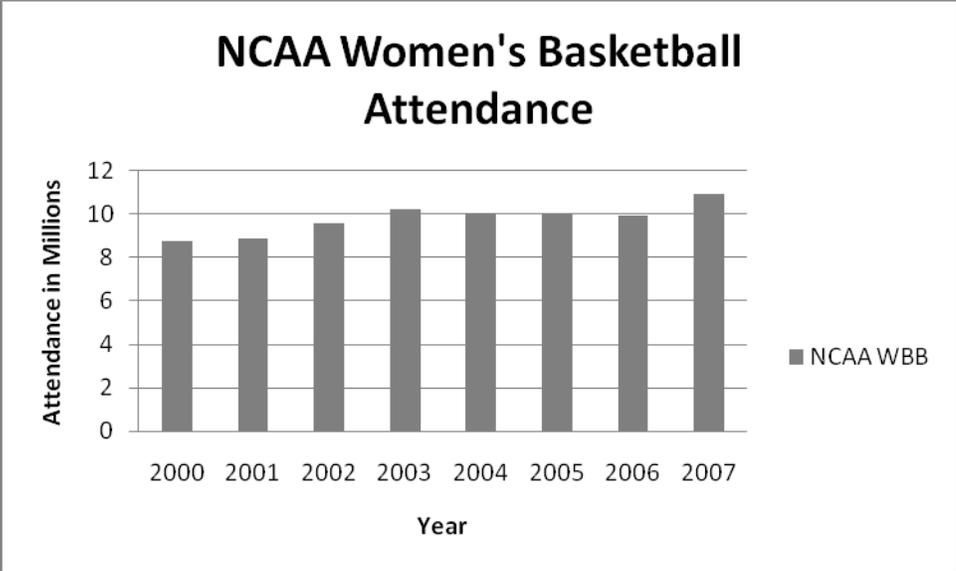
*Figure 2.* Attendance for NCAA Women's Basketball.

*Figure 3.* TV Ratings for NCAA Men's Basketball Tournament and Championship Game.

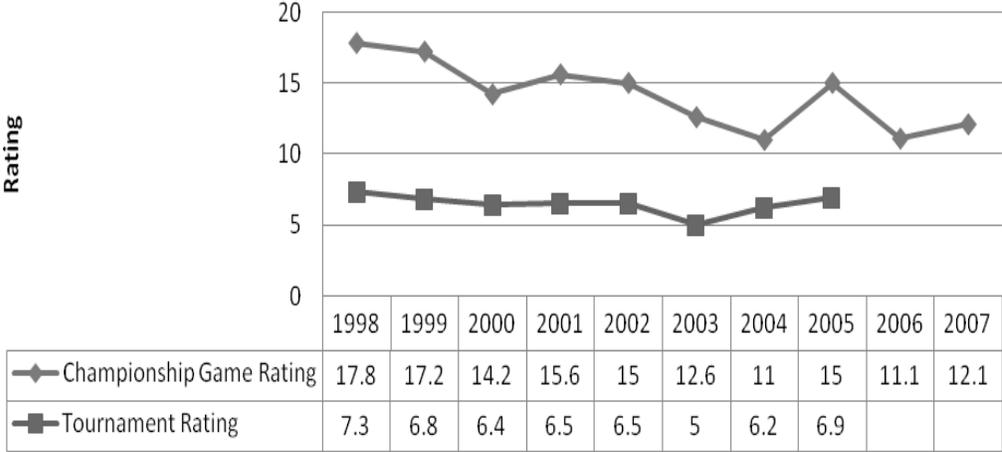
*Figure 4.* Model 1 depicting relationships among influence of advertising, satisfaction with the decision to attend the game, and conative loyalty (behavioral intentions) for both groups: those that attended a game in which the home team won (positive trial) and those that attended a game in which the home team lost (negative trial).

*Figure 5.* Model 2 depicting relationships among influence of advertising, satisfaction with the outcome of the game, and conative loyalty (behavioral intentions) for both groups: those that attended a game in which the home team won (positive trial) and those that attended a game in which the home team lost (negative trial).

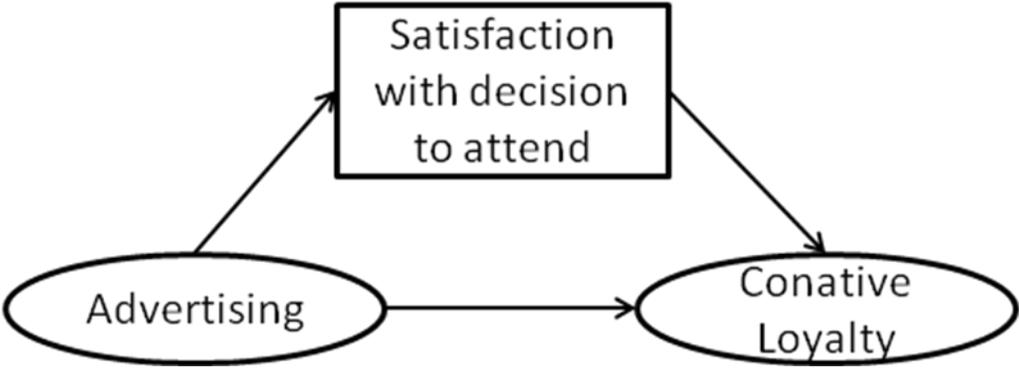




### TV Ratings for NCAA Men's Basketball Tournament and Championship Game



Model 1



Model 2

