Understanding Factors Affecting the Choice of a Sport Licensed Product over its Unlicensed Alternative

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Licensed products compete with their unlicensed counterparts. Thus, it is useful to know what would motivate a consumer to choose the licensed product rather than its unlicensed alternative. The purpose of this study is to identify the relative contribution that each of the factors identified in previous research makes to a consumer’s choice of sport licensed apparel over unlicensed apparel. Recent research suggests that current team performance, past team performance, fan identification, being a fan of the head coach, being a fan of a star player, fond memories, purpose of purchase (gift, game wear, other use), gender, and price, all affect the decision to choose a sport licensed product over its unlicensed alternative. The effect of these nine variables should be at least partially mediated through consumers’ evaluation of the relative utilitarian and hedonic values of the product. These expectations and the relative main effect of each variable to purchase intention were tested using a $3 \times 3 \times 2 \times 2 \times 2 \times 2 \times 3 \times 2 \times 3$ incomplete block design with scenarios that represent 27 experimental conditions. The sample in this study was composed of 648 undergraduate students at a large public university in the United States. In order to examine whether the nine factors affect the relative perceived utilitarian and hedonic values, two regressions were conducted, and a regression was conducted to examine whether relative utilitarian and hedonic values predict purchase intention. Finally, a hierarchical regression was employed to investigate whether there are direct effects of the nine independent factors on purchase intention. Findings demonstrate that each variable did have a significant direct and/or indirect effect on purchase intention, and that the relative perceived utilitarian and hedonic values of the sport licensed product did partially mediate the effect of the nine variables. The findings will provide a deeper understanding of the choice of sport licensed products.

※ Key words : sport licensed products, unlicensed alternative, consumer choice, utilitarian and hedonic value

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Ⅰ. Introduction

1. Research Context

Revenues from licensed merchandise sales have become a vital component of the sports industry and a key financial resource for professional teams (Mullin, Hardy, & Sutton, 2014). Retail sales of sports licensed merchandise in the United States and Canada reached $14.109 billion in 2014, and sports logo apparel was the top category of all sports licensed merchandise sales (The Licensing Letter, 2015). The sale of licensed products, especially apparel, is important to teams and leagues beyond the revenue produced. Licensed merchandise can enhance the saliency of a team’s brand (Easter, Leoni, & Wiles, 2008), which, in turn, can boost the team’s brand equity (Aaker, 1996; Keller, 1993). Moreover, as player movement increases, the purchase and use of licensed merchandise can enable an enduring bond between sport teams and fans that is independent of specific players (Mullin et al., 2014). Thus, teams and leagues have a considerable stake in licensed product sales.

From a consumer perspective, the benefits that sports consumers obtain from licensed merchandise can differ from those obtained from unlicensed merchandise. Consider, for example, the value of a polo shirt. A polo shirt that bears the insignia of a sport team (i.e., one that is licensed) and one that does not bear the team’s insignia (i.e., one that is unlicensed) both have the same utilitarian value (i.e., they can be worn as shirts). However, the licensed shirt is expected to offer higher hedonic value than the unlicensed shirt due to its association with the team, league, or event of which the purchaser is a fan (Hopkinson & Pujari, 1999).

Since actual attendance at games and events can be costly, licensed merchandise can provide sport consumers with an additional or alternative way to affiliate, which enhances the consumer’s perceived quality of relationship with the sports property (Bishop, 2001). Indeed, the classic work on basking-in-reflected-glory demonstrates that licensed merchandise provides a means to bolster self-esteem by signifying the wearer’s affiliation with a winning team (Cialdini, Borden, Thorne, Walker, Freeman, & Sloan, 1976). Further, whether the team wins or loses, licensed merchandise serves as a symbolic, centripetal means to unite fans in the stadium by providing a sense of belonging among them (Branscombe & Wann, 1991).

Several studies have endeavored to identify those factors that influence consumption of licensed products. Studies have typically examined the effects of team-related factors on sports licensed merchandise consumption: team’s current success (Cialdini et al., 1976; Gladden & Milne, 1999), team’s past success (Berri, Schmidt, & Brook, 2004; Whitney, 1998), fan identification (Kim, Trail, & Ko, 2011; Kwak, Kwon, & Lim, 2015; Kwon & Armstrong, 2002, 2006; Kwon & Kwak, 2014; Kwon, Pyun, & Choi, 2014), head coach (Bruening & Lee, 2007; Robinson & Miller, 2003), star player (DeScheriver, 2007; Kwon, Trail, & Anderson, 2005, 2006), and the memories invoked by the product (Apostolopoulou, Paradimitriou, & Damtsiou, 2010; Sierra & McQuitty, 2007). Other work has demonstrated that the relative price of the product (Berkowitz & Walton, 1980; Della Bitta, Monroe, & McGinnis, 1981), the relative utilitarian and hedonic value of the product (Batra & Ahtola, 1990; Voss, Spangenberg, & Crohmann, 2003), the purpose of the purchase (Apostolopoulou et al., 2010; Apostolopoulou, Papadimitriou, Synowka, & Clark, 2012; Giesler, 2006), and gender (Anderson, Kwon, & Trail, 2007; Fink, Trail, & Anderson, 2002) can