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LOYALTY PROGRAM EFFECTIVENESS: AN EXAMINATION OF MAINSTREAM AND
NICHE SPORT FAN-TEAM RELATIONSHIPS

A dissertation submitted in partial fulfillment of the requirements for the degree of Doctor of
Philosophy at Virginia Commonwealth University

by

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Dedication

This dissertation is dedicated to my parents – Rosalyn and Edward Rufer. You have been my two biggest cheerleaders in every endeavor I have chosen to make. Making the decision to move hundreds of miles away from everything I ever knew, I found confidence to pursue a doctorate degree because of your love and support. I would not be the person I am today had you not instilled a love of learning and education from a young age. Thank you for always encouraging me to follow my passions and being there to support and encourage me when I encountered road blocks that felt like they were the size of mountains. Your words of advice, encouragement, and inspiration have powered me to find strength in myself. I hope I have made you proud and can one day give you back even half of what you have given to me. I am proud to be your daughter. I love you!

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Abstract

LOYALTY PROGRAM EFFECTIVENESS: AN EXAMINATION OF MAINSTREAM AND NICHE SPORT FAN-TEAM RELATIONSHIPS

By Lisa S. Rufer, Ph.D.

A dissertation submitted in partial fulfillment of the requirements for the degree of Doctor of Philosophy at Virginia Commonwealth University

Virginia Commonwealth University, 2018

Major Director: Dr. Brendan Dwyer, Director of Research and Distance Learning;
Associate Professor, Center for Sport Leadership

The purpose of this study was to explore the efficacy of using loyalty programs on sport fans' relationship quality and fan engagement toward sport organizations. This study also sought to explore which relationship quality and fan engagement factors potentially differed as a result of using loyalty programs. Since there are two major defined sport levels, differences were explored across niche and mainstream sport organizations. Using relationship marketing as the theoretical framework, participants (n = 678) were administered a 55-item instrument that included revised relationship quality and fan engagement scales. Quantitative data were used to run confirmatory factor analyses, analyses of covariance, and multivariate analyses of covariance.

Results first showed that significant differences existed between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program. Mainstream sport fans that have access to a loyalty program had higher identification and reciprocity. Mainstream sport fans that do not have access to a loyalty program were found to have higher overall fan engagement, commitment, intimacy, and performance tolerance. Results also showed differences between niche sport fans that have access to a loyalty program and mainstream sport fans that have access to a loyalty program. Mainstream sport fans that have access to a loyalty program were divided into two groups (simple or complex) based on the design of the loyalty programs. Niche sport fans that have access to a loyalty program were found to have higher overall relationship quality, trust, intimacy, management cooperation, and performance tolerance.

The findings provide an introduction in to the possibility that loyalty programs could be effective for increasing relationship quality for both niche and mainstream sport organizations. Moreover, for niche sport organizations that have access to fewer resources, it is encouraging that the use of a loyalty program appears to have the capabilities to build stronger relationships and engagement. These results provide several implications for sport organizations and sport marketers and serve as a foundation for which future research on loyalty programs can build.

CHAPTER I

INTRODUCTION

One of the greatest challenges for sport marketers is keeping pace with the ever-changing sport environment. Over the last two decades, economists have put together estimates on the size of the sport industry. Even though the estimates varied due to the methods used, the one consensus was that the sport industry was large and growing (Mullin, Hardy, & Sutton, 2014). The researchers at Plunkett Research Inc. valued the United States (U.S.) sport market revenue in 2015 to be over 63 billion U.S. dollars and projected that in 2019 the industry market revenue will be over 73 billion U.S. dollars, a 4% growth rate. These figures place the U.S. sport industry at twice the size of the auto industry and seven times the size of the movie industry (Plunkett Research, LTD., 2015). Beyond the U.S. sport industry, the global sport industry was worth \$700 billion in 2014, which is almost equivalent to the gross domestic product (GDP) of Turkey (Collignon & Sultan, 2014).

While the sport industry appears to be growing and thriving, the sport and entertainment marketplace is crowded and competitive. All consumers are faced with the same two constraints: time and money (Rein, Kotler, & Shields, 2006). The cost of attending a sporting event has continued to rise while the median household income in the U.S. has been relatively stable over the last three decades (Lee & Oh, 2016). The cost to take a family of four to a National Football

League (NFL), National Basketball Association (NBA), National Hockey League (NHL), or Major League Baseball (MLB) game was more than 30% of the median household weekly income in 2011 (Eitzen, 2012). These rising costs are creating barriers for many sport fans who cannot afford to attend games. With increases in costs for attending sporting events, consumers are seeking out other forms of entertainment such as the movies or amusement parks (Rein et al., 2006).

In 2014, individuals in the U.S. over the age of fifteen spent five hours per day on average on leisure or sport activities, which included watching television, reading, socializing, watching or participating in sports, and playing games. Looking at the specific age breakdowns of leisure time per day showed that adults over the age of 75 spent over seven hours while adults between the ages of 35-44 only spent four hours on leisure and sport activities (BLS, 2016). These statistics show that an average consumer, who is working and may have discretionary income to spend, does not have the time to partake in leisure or sport activities. Consumers have to choose what activities they want to partake in, as there is a lack of available time to do all leisure and sport activities.

Besides competing against other forms of entertainment for the consumer dollar, sport teams are also competing against other sports and sport levels. Established mainstream professional sport leagues in the U.S. such as the NFL, NBA, NHL, and MLB are competing against each other for market share in the same cities (Rein et al., 2006). Characteristics of mainstream sports typically include having “large fans bases, broad appeal, and widespread media attention,” as well as large operations budgets (Greenhalgh, Simmons, Hambrick, & Greenwell, 2011). Moreover, mainstream sports are not just competing against themselves anymore, as there has been increased popularity in niche sports. Niche sports are defined as

sports that do not classify as mainstream and do not appeal to the mass audience. Compared to mainstream sports, niche sports receive considerably less media attention both at a national and local level and may receive limited fan support (Schwarzenberger & Hyde, 2013). Sport leagues classified as niche such as the Women's National Basketball Association (WNBA), Major League Lacrosse (MLL), Mixed Martial Arts (MMA), and Major League Soccer (MLS) are showing continued growth and popularity (Greenhalgh et al., 2011; Warren & Brownlee, 2013). Thus, the competition for the sport consumer's time and dollar continues to increase and sport organizations are constantly searching for new ways to maximize revenue generation (Kim & Trail, 2011).

In highly competitive markets, retaining customers is critical for any organization's success. Newer customers are more difficult to find, typically purchase 10% less than current customers, and are less engaged in the relationship with the organization (Levy, 2008). Further support shows that high customer retention rates lengthen the average relationship the customer has with the organization providing a greater lifetime value in the long run (Gray & Wert-Gray, 2012). Customer retention rates are important because in order to develop long-term relationships between organizations and customers, organizations must be able to retain current customers first. Hanks (2007) found that a customer retention rate increase of 5% could lead to a 75% increase in profitability for the organization. Additionally, repeat customers were found to be less-price sensitive and spread positive-word-of-mouth, which can increase the organizations profits (Stahl, Matzler, & Hinterhuber, 2003). Since one strategy for increasing retention rates is tied to strengthening the relationship between the customer and organization, organizations are shifting away from a transactional approach of marketing to using a relationship marketing approach.

The traditional marketing-mix viewed customers from a transactional viewpoint, focusing on the acquisition of new customers and the exchange of money for goods between the organization and the customer (Möller & Halinen, 2000). Kotler (1992) and Grönroos (1996) recommended that organizations shift away from the outdated short-term transactional focus into a long-term relationship approach. Relationship marketing puts the emphasis on creating long-lasting relationships rather than creating new relationships. For this study, relationship marketing can be thought of as a marketing approach that includes any marketing activities that form, develop, and preserve fan relationships.

The increased use of relationship marketing signifies a shift to a customer retention focus away from a customer acquisition focus (Gray & Wert-Gray, 2012). Relationship marketing is an effective tool for customer retention because it encourages two-way interaction. For example, American Express encourages customers to donate or volunteer with American Express approved causes through their Members Give program. While individuals do not have to be a card holder to get involved through American Express, if an individual is a card holder, American Express will reward him or her with points redeemable for plane tickets, hotels, and a variety of other products (American Express, 2016). Not only does this program encourage interactions with American Express, it also encourages interactions with local or national charities. Customers are no longer passive participants in relationship building but rather take an active role in the formation of the relationships (Malthouse, Haenlein, Skiera, Wege, & Zhang, 2013). Relationship marketing shifts the focus from the organization to the customer in order to determine how to meet the customer's needs (Sashi, 2012).

Sport consumer behavior has been identified as a subset of the general study of consumer behavior within sport management literature (Funk, Alexandris, & McDonald, 2016). The sport

consumer or sport fan is often represented as being different from other consumers by being more passionate, committed, and loyal. A sport fan has formally been defined as “an enthusiastic devotee of some particular sports consumptive object” (Hunt, Bristol, Bashaw, 1999, p. 440). Characteristics of being a fan, such as maintaining loyalty even when dissatisfied with the sport product, can be very different from consumers in other industries. This means it is important to evaluate relationship marketing within the sport industry, as findings drawn from general business may not always apply to sport fans. Sport organizations that can successfully employ a relationship marketing approach are able to develop and maintain long-term relationships with fans thus increasing retention and profits.

Fan engagement is defined as a sport fan’s relational behavior that aims to create a relationship that benefits his or her favorite sport team, the team’s management, and other fans. The Cleveland Cavaliers fans showed high enthusiasm, attention, and energy for the team despite having never previously won an NBA championship. After the Cavaliers won the 2016 NBA championship, over 1.3 million fans crowded the streets of downtown Cleveland to celebrate the win with the team (Mazzeo, 2016), showing the fans level of engagement. Fan engagement includes the components of helping team management (management cooperation), connecting with other fans (prosocial behavior), and tolerance to overcome negative team performance (performance tolerance) (Yoshida, Gordon, Nakazawa, & Biscaia, 2014). All of these components are focused on engaging through relationships rather than transactional exchanges. Using a customer relationship database, sport organizations have the ability to collect relevant information about their fans and use it to strategically engage with fans in order to develop deeper relationships.

One digital technology application on which sport marketers can try to capitalize to build long-lasting relationships is a loyalty program. A loyalty program is a marketing tool that encourages engagement between organizations and fans and provides financial and social rewards to customers who demonstrate beneficial behavior towards the organization (Ha & Stoel, 2014). In an effort to build fan engagement and relationship quality, there has been an increased use in the relationship marketing approach of a loyalty program (Dorotic, Bijmolt, & Verhoef, 2012). Loyalty programs are designed so members receive special treatment compared to non-members (Söderlund & Colliander, 2015). Additionally, loyalty programs provide members with the opportunity to not only receive financial incentives, but also social interactions. Positive word-of-mouth has been shown to be much stronger for members of a loyalty program than non-members (Yoshida, Gordon, Heere, & James, 2015a). By using a loyalty program, organizations may increase fan engagement by relating activities and attendance to the program as well as encouraging participation in fantasy sports or other games.

Firms in the U.S. spend over 1.2 billion dollars on loyalty programs a year (Berry, 2015). The expenses of running a loyalty program include overhead costs for marketing, finance, training, partnership relations, technology, and the rewards themselves (Shugan, 2005). Tesco estimated in the 1990s that a loyalty program cost around £10 million (\$15-\$20 million) just to gather initial data (Digman, 1996). Administrative expenses associated with a loyalty program can surpass \$20 or more per customer per year (Grinnell, 2003). The time and effort needed to set up and run a loyalty program can be steep for organizations. Furthermore, previous research has provided mixed evidence on the effectiveness of loyalty programs. Some studies have shown that loyalty programs can be effective (e.g., Lewis, 2004; Taylor & Neslin, 2005), while other studies have found that loyalty programs did not prove to be significantly effective (e.g., Wulf,

Odekerken-Schöder, & Iacobucci, 2001). With such high costs to run a loyalty program, more empirical research is needed to examine the effectiveness of using a loyalty program to build relationships (McCall & Voorhees, 2010).

Statement of the Problem

Through technological innovations and substantial investments from organizations, the loyalty program industry has over 3.3 billion enrollments and is worth over six billion dollars (Berry, 2015). This means that organizations are putting substantial resources such as more time and money towards getting a loyalty program set up and maintaining the database of customers that use the program. For hotel loyalty programs, just to administer and operate a loyalty program can cost up to 5% of the gross profit on room bookings (Crowell, 2010). Despite the substantial investments from organizations, there is mixed evidence demonstrating that the effectiveness of the loyalty program outweighs the costs associated with the program.

Over 40% of sport organizations are choosing to invest in a loyalty program to help build relationships with fans; more than 80% of these loyalty programs have been implemented since 2012 (Jones, 2015). For niche sport organizations that generally have smaller operational budgets, directing resources towards a loyalty program could be risky if the loyalty program is not actually building stronger relationships or engagement. For mainstream sport organizations, many fans may be displaced or living outside of the organization's local market. In fact, it has been found that more than half of every North American mainstream sport team's fans are not living within the local market (Fain, 2013). A loyalty program may allow the mainstream organization to continue a strong relationship with these fans despite the distance. With mixed reviews on the success of loyalty programs and a gap in the literature on the impact a loyalty

program may have on sport organizations, this study attempts to explore the potential efficacy loyalty programs may have on sport organizations from a relationship marketing framework.

Purpose Statement

Based on the problem set forth, the purpose of this study was to explore the potential efficacy of loyalty programs on fan engagement and relationship quality between sport fans and sport organizations. Operationalizing relationship marketing is difficult to do as no single construct measures the entire relationship (Magnusen, Kim, & Kim, 2012). Rather, the multidimensional constructs of relationship quality and fan engagement are often used to evaluate a relationship marketing approach (Kim & Trail, 2011; Vivek, Beatty, & Morgan, 2012). Because fan engagement and relationship quality with sport fans are vital to the success of an organization, it was important to explore if any relationship quality and fan engagement factors were influenced by the usage of loyalty programs.

The factors of relationship quality include trust, commitment, reciprocity, identification, and intimacy. Previous relationship marketing studies have shown that trust, commitment, and reciprocity are indicators of a strong relationship (Magnusen et al., 2012; Morgan & Hunt, 1994). Identification, or the perceived connectedness and emotional involvement of customers, have been recognized as an important factor of relationship quality (Smit, Bronner, & Tolboom, 2007). Furthermore, sport fans were found to have higher levels of intimacy with sport teams than other organizations or brands the fans supported (Harris & Ogbonna, 2008). In addition, the fan engagement components of management cooperation, prosocial behavior, and performance tolerance have been shown to influence relational behavior (Yoshida et al., 2014). Since a loyalty program is a form of engagement and encourages the development of a relationship, it is

important to see if the use of the loyalty program could possibly influence fan engagement and relationship quality.

More so, due to the known differences between sport levels, this study sought to explore the potential effectiveness of loyalty programs across mainstream and niche sport fans. Since previous research recognized that mainstream sport fans identify and act differently than niche sport fans, to understand the full picture of how loyalty programs may impact the relationships and engagement of sport fans, both sport levels needed to be investigated. Mainstream sport fans are defined as fans of at least one NBA, NFL, NHL, or MLB team. Niche sports fans in this study were classified from the gender specific category and defined as fans of one WNBA team.

Research questions one and two explored the many factors of relationship quality and fan engagement and the potential impact loyalty programs have on the factors for mainstream sport fans. These questions attempted to determine if a loyalty program could be an effective strategy within a relationship marketing approach for mainstream sport organizations. Given the importance of fan engagement and relationship quality between organizations and fans, the following research questions were developed:

1. To what extent are there differences in relationship quality between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program?
2. To what extent are there differences in fan engagement between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program?

Research questions three and four explored relationship quality and fan engagement between mainstream and niche sport fans that have access to a loyalty program. To see if

relationship marketing is a viable strategy that professional sport organizations can employ, the comparison across mainstream and niche sport fans was needed. Many differences between niche and mainstream sport fans have been identified in previous literature. Niche sports fans have been identified to be more unique (Dwyer, Greenhalgh, & LeCrom, 2016), feel more similar to the athletes (Greenhalgh et al., 2011), and have less sponsorship awareness (Moloch & Lambrecht, 2006). On the other hand, mainstream sport fans were found to be drawn to the athletes' skill level and the popularity of the sport (Greenhalgh et al., 2011). Since mainstream and niche sport fans can be very different, it was important to explore the potential impact these organizations could have from the use of loyalty programs. The comparison between mainstream and niche sport fans provide further consideration that loyalty programs may be worth the investment for enhancing relationships, especially for niche sport organizations that have less resources. The following research questions were developed:

3. To what extent are there differences between mainstream and niche sport fans that have access to a loyalty program as it relates to relationship quality?
4. To what extent are there differences between mainstream and niche sport fans that have access to a loyalty program as it relates to fan engagement?

Rationale and Significance of Study

With increased competition for where customers can spend discretionary income, it is critical that sport marketers are staying informed on what their fans want (Kim & Trail, 2011). Because every fan is unique and has different wants from the organization, there is not a universal solution that will satisfy everyone. Since it is important to find individualized solutions for fans, one strategy both mainstream and niche sport organizations may have the opportunity to utilize is a loyalty program. Specialty retailers' loyalty memberships are the fastest growing area

for loyalty program memberships. A specialty retailer focuses on selling one line of goods to particular customers and may offer narrow but deep selections (Berry, 2015). With so many Americans utilizing loyalty programs but more specifically specialty loyalty programs, sport marketers need to consider the impact a loyalty program could have on the organizations' relationship with fans. However, besides the conceptual article and scale development of relationship quality (Kim, Trail, Woo, & Zhang, 2011b; Williams & Chinn, 2010), the primary studies that look at using relationship marketing in a sport context examine the framework through a social media lens (e.g., Achen, 2016; Hambrick & Kang, 2015). Given that sport organizations are employing loyalty programs to stay connected to fans and there is a lack of scholarly knowledge on the potential impact loyalty programs have on fan relationships, this study will seek to investigate if there is a connection between loyalty programs and relationship marketing.

Currently, little research exists on how loyalty programs are utilized by professional sport teams. The previous research on loyalty programs were primarily examined from a fan community framework that look at team attachment (e.g., Pritchard & Negro, 2001; Yoshida et al., 2015a; Yoshida, Heere, & Gordon, 2015b). Both the studies by Yoshida et al. (2015a) and Yoshida et al. (2015b) evaluated attachment points and team identification using loyalty programs as a moderator to fan community and as a behavioral outcome. The study by Pritchard and Negro (2001) looked at the use of a loyalty program and its impact on fan relationships through team attachment. These studies mentioned above did not evaluate loyalty programs from a relationship marketing framework. Presently, there is a gap in the literature on the potential effectiveness of using a loyalty program to strengthen relationships from a relationship marketing framework in the sport management literature.

The results of this study theoretically move relationship marketing forward in the sport marketing literature. While both relationship marketing and loyalty programs have been previously studied in the context of sport consumer behavior (Pronschinske, Groza, & Walker, 2012; Williams & Chinn, 2010; Yoshida et al., 2015a), they have not been examined together. Loyalty programs may have the ability to work within a relationship marketing approach to strengthen fan engagement and relationship quality. Thus, loyalty programs could actionize relationship marketing by showing what relationship marketing should entail. The findings of this investigation provide practical implications that could potentially help the effectiveness for employing a loyalty program within a relationship marketing framework to build and maintain strong relationships with fans.

Delimitations

Delimitations are controlled by the researcher and include characteristics that limit the scope and define the boundaries of a study (Simon, 2011). The delimitations in this study include:

1. As there is a lack of research on the use of a loyalty program in sport management literature, some of the work presented in this study is new to the field of sport management.
2. Survey items only used Likert-type scale items and did not include open-ended response items. Close-ended items were used to assure manageability of collected data and to avoid respondent's interpretations.
3. The teams selected for use within this study all came from professional leagues in the United States further limiting the generalizability of the study. Furthermore, the niche sport fans that have access to a loyalty program and mainstream sport fans that do not

have access to a loyalty program are limited to basketball fans limiting the generalizability. Findings of the study may be different with other contexts.

4. Since the focus of this study was on the use of loyalty programs, only a group of specific professional sport teams met the requirements to be considered in the study. More so, the researcher only had access to a small number of teams that qualified for the study.

Limitations

1. Quantitative self-reported data: This study relied on quantitative self-reported data from the participants on loyalty programs, relationship quality, and fan engagement. Given that participants provided information in a survey, the responses cannot be assumed completely accurate. However, participants completed the survey voluntarily and in a private setting of their choosing.
2. Mainstream loyalty program: The participants that have access to a mainstream loyalty program represent fans from all four major sport leagues. This differs from the niche sport fans that have access to a loyalty program and the mainstream sport fans that do not have access to a loyalty program as those participants are fans from two professional basketball organizations.
3. Judgment sample: This study utilized a judgment sample to recruit participants decreasing the possibility of generalizing the results beyond the population the sample was drawn.
4. Likert-type data: All data were measured on Likert-type scales, which are ordinal in nature but treated as continuous. This can cause errors in interpretation of results, as analysis does not distinguish between scale points.

5. Design of loyalty program: The sport organizations that offer loyalty programs to their sport fans all have individualized designs on how they run the program. All the niche fans that had access to the loyalty program in this study were season ticket holders by requirement of the loyalty program. On the other hand, the mainstream sport fans that have access to a loyalty program are from a handful of teams that have similar but different loyalty programs. (See Appendix I for Loyalty Program designation)
6. Length of loyalty program membership: All sport fans that had access to the loyalty programs had been members of the loyalty program previous to this study. More so, it is unknown how long each participant had previously been a member of the loyalty program.
7. Timing of Data Collection: Since this study collected data across all four professional sport leagues, the timing of when the data was collected could impact the participants response to the questions. Some sport seasons were about to start, other had just ended, and the rest were currently in the middle of their season.
8. Response Rate: The response rate for the niche, mainstream, and Qualtrics panel are not specified as the researcher was not provided the number of the total participants that was accessible through the respective databases.

Definition of Terms

Commitment: A sport fans enduring desire to maintain an important relationship with a particular sport organization so much that the fan would be willing to put forth effort to continue the relationship (Ross, James, & Vargas, 2006).

Complex Loyalty Program: A complex classification for loyalty programs include all programs that offer more than one way to either earn points or spend points. For instance, if the

sport organization allows fans to earn points through a combination of purchases, social media interaction, information gathering, or promotional codes. As well, participants can redeem rewards from a combination of merchandise, tickets, or VIP experiences.

Confirmatory Factor Analysis (CFA): A type of structural equation modeling dealing with a measurement that looks at the relationship between indicators (observed measures) and latent variables (factors) (Brown, 2006). The factors for this study include five from relationship quality (identification, intimacy, trust, commitment, and reciprocity), and three from fan engagement (management cooperation, prosocial behavior, and performance tolerance). The indicators or observed measures are the individual items for each of these factors; in total, there are 24 indicators.

Customer: An individual who has an interest in specific goods or services and chooses to purchase the items from an organization.

Customer Engagement: The level of cognitive, emotional, and behavioral involvement or connection an individual has with an organization. Customer engagement is a multidimensional concept that is interactive through co-creative experiences. It is used as a tool for creating, building, and enhancing customer relationships (Brodie, Hollebeek, Juric, & Ilic, 2011).

Fan: A sport enthusiast who is interested in or devoted to a sports team, organization, or league. This sport enthusiast enjoys a sport and a team, wears team colors, demonstrates positive support for teams and organizations identified with a specific team, attends or watches games, and shares knowledge (Sveinson & Hoerber, 2015).

Fan Engagement: A sport fans relational behavior that aims to create a relationship that benefits his or her favorite sport team, the team's management, and other fans. Engagement includes the components of helping team management (management cooperation), connecting

with other fans (prosocial behavior), and tolerance to overcome negative team performance (performance tolerance) (Yoshida et al., 2014).

Identification: Personal commitment, perceived connectedness, and emotional involvement a fan has with a team or organization, taking on the achievements and failings as their own (Hunt et al., 1999; Madrigal & Chen, 2008).

Intimacy: The familiarity, closeness, understanding, and openness of a relationship between customers and organizations (Fournier, 1998).

Loyalty Program: A structured marketing tactic that encourages fan engagement behavior with the sports organization and provides financial and social rewards and incentives to fans who demonstrate beneficial behavior towards the organization (Ha & Stoel, 2014).

Management Cooperation: A sport fans willingness to ensure sport organizations' events are successful by actively contributing to the administrative efforts. The inclination to support the organization is seen by giving constructive feedback, abiding by the organization's policies, and conducting oneself in a positive manner when associating with the organization (Doherty, 2013; Yoshida et al., 2014).

Mainstream Sports: Sports that traditionally have large fan bases, prevalent media coverage, and appeal to mass audience of sport fans (Greenhalgh et al., 2011). Often referred to as the "Big 4" and includes National Football League (NFL), National Basketball Association (NBA), National Hockey League (NHL), and Major League Baseball (MLB).

Niche Sports: Non-mainstream sports that do not receive widespread media attention, and do not have a mass appeal to sport fans (Miloch & Lambrecht, 2006). Sports include tennis, bowling, lacrosse, as well as all minor league and gender specific sports (Rosner & Shropshire, 2011).

Performance Tolerance: The extent to which sport fans are willing to be loyal to the sport organization even during challenging stages when the team is struggling to win. Fans can show support during these challenging times by wearing team gear and spreading positive word-of-mouth (De Ruyter & Wetzels, 2000; Yoshida et al., 2014).

Prosocial Behavior: Sport fans engagement in developing a fan community through interpersonal and computer-mediated interactions with other like-minded fans of a similar organization (Yoshida et al., 2014). Fans have the opportunity to connect with other fans through loyalty program member only events, social media, and games or contests.

Reciprocity: An exchange relationship between sport fans and sport organizations where beliefs and expectations of obligations are balanced in the relationship (Palmatier, 2008a).

Relational Exchange: Interactions built on cooperation and collaboration with a goal of building long-term relationships between sport fans and sport organizations (Bee & Kahle, 2006). Relational exchanges coincide with concentrating on developing both meaningful and noneconomic satisfied relationships that are interactive and enduring. Behaviors include word-of-mouth, basking in reflected glory (BIRGing), social interactions, and pregame tailgating (Cialdini et al., 1976; Parvatiyar & Sheth, 2001).

Relationship Marketing: Any marketing related activity that is focused on identifying, building, enhancing, and maintaining relationships between sport organizations and sport fans aimed at creating an ongoing, long-lasting relationship.

Relationship Quality: A multidimensional construct used to measure the effectiveness of a relationship marketing approach. The construct captures the intimacy, trust, commitment, reciprocity, and identification of a relationship between sport fans and sport organizations. The construct is an evaluation of the overall strength and depth of a relationship (Kim & Trail, 2011).

Simple Loyalty Program: The simple classification of loyalty programs entails programs that only offer one way of either earning points or spending points. For instance, if the sport organization allows fans to earn points only by their purchases or can only redeem rewards that are pieces of merchandise.

Transactional Exchange: Interactions between the sport organization and sport fans that strictly focus on monetary exchanges and have limited communication or collaboration. The interactions have a distinct beginning, are short in duration, and have a sharp ending. Behaviors include attending games, buying products from sport organization, and purchasing athlete endorsed products (Dwyer, Schurr, & Oh, 1987; Funk & James, 2001).

Trust: The confidence or belief sport fans have that a sport organization is reliable, good, honest, and effective. When customers believe that their needs will be met by the organization they are putting trust into the organization (Morgan & Hunt, 1994).

Organization of the Dissertation

Chapter 1 has presented the introduction, purpose of the study, research questions, significance of the study, statement of the problem, delimitations, limitations, and definition of terms in the study. Moving forward, chapter 2 begins with a review of literature on relationship marketing from its history in the service industry to its application in the sport industry. The chapter then transitions from relationship marketing in the sport industry to defining fan engagement and relationship quality and their roles in relationship building. An explanation of how a loyalty program is a useful tool that can be used to increase fan engagement and relationship quality then follows. Next, mainstream and niche sport levels are defined, and differences are highlighted. Chapter 2 concludes with a conceptual model of how a loyalty program works within a relationship marketing framework. Chapter 3 focuses on the

methodology and procedures used to gather data. This chapter includes research design, sample, procedures, and the instrument used. Presented in chapter 4 are demographic and descriptive statistics about the sample population and the results to the research questions. The dissertation concludes with chapter 5 highlighting the results and providing recommendations for future research.

Conclusion

With a highly competitive marketplace, sport marketers need to find ways to attract and keep fans interested in their respective sport organizations. In addition, sport fans are continuously looking for more out of their relationships and investments. The implementation of a loyalty program allows sport organizations to focus on building, maintaining, and enhancing relationships between sport teams and sport fans. Therefore, it is valuable to understand if loyalty programs are truly effective for strengthening relationship quality and increasing fan engagement. This study attempts to advance theoretical knowledge on loyalty programs through a relationship marketing framework. By examining the differences among sport levels between sport fans that have access to a loyalty program and sport fans that do not have access to the loyalty program, this study provides sport marketers with the evidence needed to validate if implementation of a loyalty program is worth the investment. The next chapter will provide more details on relationship marketing, relationship quality, fan engagement, loyalty programs, niche, and mainstream sports.

CHAPTER II

REVIEW OF LITERATURE

This study's purpose was to investigate the efficacy of loyalty programs on fan engagement and relationship quality between sport fans and sport organizations. The focus of this chapter was to review the literature associated with building and sustaining relationships with customers and sport fans, relationship quality, fan engagement, and loyalty programs. The theoretical framework of relationship marketing was chosen to examine sport fans' use of loyalty programs on fan engagement and relationship quality. In order to fully comprehend how loyalty programs, change sport fans relationships with organizations, it is necessary to review and evaluate previous literature from both consumer behavior and sport marketing viewpoints. Thus, the literature review provides an overview of the concepts utilized within this study from a multidisciplinary lens ending with a sport management viewpoint.

The review of literature for this study is divided into three sections. The chapter begins by exploring relationship marketing in detail, starting from its history in the service industry to show how previous developments can be applied to the sport industry. The second section of the literature review explains how fan engagement and relationship quality are necessary to show that relationship marketing is a viable strategy. The chapter then moves into examining how loyalty programs can serve as a successful marketing tool for enhancing fan engagement and relationship quality. The literature review here will provide supporting evidence that a loyalty

program can act as a tool to enhance fan engagement, which ultimately should lead to stronger relationships between fans and the organization. One of the questions that needed to be addressed was whether there is a difference in relationships for niche sport fans compared to mainstream sport fans; the final section of this literature review will establish a conceptual framework for relationship marketing for mainstream and niche sport organizations.

Relationship Marketing

At the forefront of traditional marketing for many years has been the concept of exchange. The traditional marketing-mix viewed customers from a transactional viewpoint, focusing on the acquisition of new customers and the exchange of money for goods or services between the organization and the customer (Möller & Halinen, 2000). These transactional exchanges have a distinct beginning, are short in duration, and have a sharp ending (Dwyer et al., 1987). During transactional exchanges, the focus is on acquiring new customers in order to have a monetary exchange. Thus, there is limited interaction or communication between organizations and customers. Kotler (1992) recommended that organizations shift away from a short-term focus into a longer-term relationship approach. This premise of shifting away from a short-term focus was reiterated by Grönroos (1996) who proclaimed that the traditional marketing mix was outdated and the future was relationships. Hence, the strategic focus of relationship marketing is shifting away from transactional exchanges towards a more relational viewpoint.

While transactional exchanges can be thought of as important starting points for developing long-term relationships (Bee & Kahle, 2006), the main focus for organizations should be on building relational exchanges. Berry (1995) highlighted that this transactional exchange process was superseded in part because of the focus on relationship building in the services marketing. Relational exchanges are built on cooperation and interaction with the goal of

building long-term relationships between consumers and organizations (Bee & Kahle, 2006). Looking at a broad viewpoint of relationship marketing, relational exchanges coincide with concentrating on developing both meaningful and beneficial relationships that are interactive and enduring (Parvatiyar & Sheth, 2001). The emphasis of relationship marketing is on creating a marketing approach that caters to customer needs. For example, American Express understood that their customers wanted to deal with a real person instead of an automated system, so American Express hired more employees and trained them to handle customer service (Neisser, 2014). The idea of what relationship marketing is has grown from its origins in the service industry to its applicability to all industries today.

Defining Relationship Marketing

Early roots of relationship marketing can be found in the 1980s and 1990s when customers were becoming continuously unsatisfied with organizations. The service industry was one of the first industries to use relationship marketing as a strategy to attain current customers rather than continuing to acquire new customers. Berry (1983) defined relationship marketing in the context of service relationships as “attracting, maintaining and – in multi service organizations – enhancing customer relationships” (p. 25). This definition highlighted that attracting new customers was an important first step in the marketing process but it was also necessary to strengthen customer bonds, build loyalty, and create relationships. Relationship marketing puts the emphasis on creating long-lasting relationships rather than creating new relationships.

While Berry’s (1983) definition saw relationship marketing as a strategic approach, other researchers saw relationship marketing as a philosophical change in marketing theory. Grönroos (2004) defined relationship marketing as identifying, establishing, maintaining and enhancing

relationships with customers, so the objectives of both parties involved are met and a profit is achieved for the organization. This is accomplished when both parties fulfill the assurances made to the other party. Both these definitions highlight that relationship marketing entails the premise of establishing a relationship and working on creating and preserving a lasting bond that is satisfying to both the organization and the customer.

Implementation of Relationship Marketing

Early on in the development of the concept of relationship marketing, it was identified that in order to properly implement a relationship marketing strategy an organization must advance in a sequential order (Shani & Chalasani, 1992). The first step is segment marketing (niche marketing) where specific needs of customer groups in the market are identified by the organization. The premise behind finding a need in the market is to shift away from a top-down approach where the organization treats customers similarly and instead can meet unique needs. Once the need or the target population has been identified the efforts should shift to building a customer database. It is important during this stage, that organizations create a plan for how they are going to collect information on their customers and keep the database updated. After the database is established, organizations should analyze the data and create personalized offers to customers (Shani & Chalasani, 1992). The idea of customizing the offers is to show customers that organizations are invested in them as individuals rather than just one of many customers (See Figure 2-1).



Figure 2-1. Early implementation model of relationship marketing in marketing literature (Shani & Chalasani, 1992).

One organization that has properly implemented a relationship marketing approach is Target. Target assigns all customers a Guest ID number that is tied to their credit card number, name, or email address they have provided. This ID number then aligns with a customer’s entire purchase history as well as demographic information for each individual. Target then analyzes the data and looks for patterns. In some cases, Target has known about individual’s pregnancies before the pregnancy has been announced to the family (Hill, 2012). Based on purchasing patterns, Target sends coupons that customers can use to prepare for the baby or other events in their life.

Research has also shown how implementing a relationship marketing approach with a customer relationship management database (CRM) can contribute to the success of organizations. Wu and Lu (2012) looked at relationship marketing, CRM, and business performance of the Taiwan hotel industry. Relationship marketing was measured by 14 different items highlighting service, relationship, trust, loyalty, and cooperation. The researchers found that by implementing a CRM and a relationship marketing approach, there was a direct positive influence on four aspects of business performance: financial, customer, internal process, and learning and growth. While the study by Wu and Lu (2012) highlights how relationship marketing can work for organizations in the hotel industry, Ashley, Noble, Donthu, and Lemon

(2011) examined some obstacles to implementing a relationship marketing approach within many industries.

Ashley et al. (2011) surveyed 251 random households in the United States asking respondents to think of a company who had a loyalty card, rebate offer, company credit card, or e-mail offers. Respondents then completed the relationship program receptiveness index to measure customers' willingness to engage with organizations through a relationship marketing program. The results found that company-controlled factors such as perception of inconvenience and anticipated benefits of the program affected consumers' receptiveness of the relationship marketing program. Additionally, customer factors including privacy concerns, involvement, and shopping frequency also affected consumers' willingness to enter into a relationship marketing program. These studies highlight that while relationship marketing can be beneficial, the implementation and application of having a relationship marketing approach is not without its challenges. Even with these challenges numerous benefits of having a relationship marketing approach have been identified in the literature.

Benefits of Relationship Marketing

As an approach, relationship marketing has been shown to have many benefits for organizations and customers. Relationship marketing assists organizations by focusing on customer retention, offering heightened service, pursuing a long-term vision, and providing customer service (Christopher, Payne, & Ballantyne, 2008). For organizations to preserve a relationship, it is necessary to have good service and for an organization to improve a relationship good selling is needed (Berry, 1983). Furthermore, repeat customers were found to be less-price sensitive and spread positive-word-of-mouth, which can increase organizations profits (Egan, 2004; Stahl et al., 2003). Such, customers may continue returning to the same

organization, reducing the organizations costs of recruiting new customers. An organization's profit can increase up to 75% with a 5% increase in customer retention (Hanks, 2007). For industries where customers are highly involved and interested in partaking in long-term relationships, relationship marketing is vital for retaining customers (Varki & Wong, 2003).

The way relationship marketing treats relationships differentiates itself from the other marketing approaches. For example, relationship marketing has also been proven to be more beneficial than service marketing, branding, and channels marketing for building relationships (Palmatier, 2008b). A key difference that separates relationship marketing from other marketing strategies is that relationship marketing focuses on improving performance by changing relationships compared to the others looking to change specific features (e.g., intangible services, product offerings) to improve performance (Palmatier, 2008b).

For example, in 1985 Coca Cola was looking for new ways to stay ahead of the competition so they introduced the New Coke. Unfortunately, it backfired as consumers of regular Coke felt that they mattered little to the organization. Based on the consumers' complaints, had the organization focused on building deeper relationships with their current consumers by harvesting the emotional attachment many had developed, Coca Cola may have had more success keeping and attracting customers. In the aftermath, Coca Cola brought back the classic formula and put out an ad that focused on the emotional attachment between their customers and Coke with the slogan "Red, White, and You" (Conversations Staff, 2012). Thus, relationship marketing separates itself from other marketing types and strategies by forming its core strategy around lasting relationships rather than other features or products of the organization.

Summary

Relationship marketing has been shown to have many benefits for business organizations in a variety of industries. When a relationship marketing strategy is working effectively, both the customer and the organization are working together to create mutually satisfying benefits and values. Since there are numerous sport organizations all offering similar products and other entertainment options, sport organizations can take lessons from the service industry and find ways to differentiate themselves. For sport organizations, they may have an opportunity to accrue all the benefits previously mentioned if relationship marketing is implemented. Building a loyal fan base is important for sport organizations, as loyal fans are key contributors to long-term profit and success (Ferrand, Robinson, & Valette-Florence, 2010).

Relationship Marketing in Sport

Sport consumer behavior has been identified as a subset of the general study of consumer behavior within sport management literature (Funk et al., 2016). The differentiation was based on the assumption that sport has unique characteristics including the intangibility of the sport product or service, level of knowledge possessed by sport fans, and the manner in which sport is consumed (Funk et al., 2016). A sport fan has formally been defined as “an enthusiastic devotee of some particular sports consumptive object” (Hunt et al., 1999, p. 440). The sport consumer or sport fan is often represented as being different from other consumers by being more passionate, committed, and loyal.

Fisher and Wakefield’s (1998) examination of sport fans found that poor performing teams experienced increased support and loyalty among fans. This finding is atypical and is not found in many other types of products and services. One reason for this finding may be due to the hedonic or pleasurable nature of consuming sport as enjoyment can come in many ways

(Funk et al., 2016). Previous research has also found that sports fans have low levels of switching between brands. McDonald (2010) examined Australian football season ticket holders and found that unsatisfied fans would lower their engagement with the team rather than changing allegiance or supporting a different team. This can be very different than consumers of other brands or products, as an unsatisfied consumer in the telecommunications industry have been known to switch carriers (Svendsen & Prebensen, 2013). Since previous literature has identified differences between sport fans and other types of consumers, it is necessary to examine relationship marketing and loyalty programs in sport rather than just using business literature.

An advantage relationship marketing provides is the ability to create a more satisfying relationship for both the organization and sport fan by shifting and changing to match the needs over time (Stavros, 2005). For example, NASCAR realizing they needed to reengage and relate to their fans re-launched their digital platform. The new digital platform had real-time access to action, social capabilities by connecting with social media, and in-depth news around NASCAR (Olenski, 2013). Moving forward in this study, relationship marketing can be thought of as a marketing approach that includes any marketing activities that form, develop, and preserve fan relationships through mutual fulfillment of promises by both sport organizations and sport fans.

Relationship marketing is seen as an effective marketing approach for sport organizations because of the belief that maintaining long-term relationships with existing customers reduces costs and saves time (Buhler & Nufer, 2010). By fostering fan relationships, sport organizations can influence engagement, purchasing decisions, and create a feeling of attachment towards the organization. Having strong relationships between sport organizations and fans is critical when teams are not performing well. Scott Loft, vice president of ticket sales, retention, and database operations of the Oklahoma City Thunder, has stated that his long-term strategy for retaining

customers is not focused on team performance but rather on relationships. “Relationships are at the very core of what people want from their day-to-day lives... especially from the teams that they follow so passionately. At some point, all teams are going to be faced with a rainy day where you need your fans to make decisions with their hearts as much as their wallets and minds” (Scibetti, 2014, para. 13). More so, according to Scibetti (2014), Debbie Knowlan of the Atlanta Falcons has stated that the connection being built between the organization and the fans is the foundation to building a strong relationship.

Relationship marketing is designed to build brand awareness, understand fan’s needs, and provide value to fans (Hambrick & Kang, 2015; Stavros, Pope, & Winzar, 2008). By using relationship marketing, a sport organization may have the necessary tools to work collaboratively with fans through communication and interaction. Interactions can vary from renewing season tickets, purchasing merchandise, and engaging with the organization’s mobile application. These interactions enhance the amount of fan engagement sport fans partake in with the team. As the number of these relational interactions between the organization and fans continue to increase, so does the likelihood that sport fans will continue to have an enduring relationship with the organization (Hambrick & Kang, 2015).

Understanding the importance of keeping sport fans engaged and interacting for a longer period of time, has sport organizations implementing relationship marketing tactics (Harris & Ogbonna, 2008; Shani, 1997; Stavros et al., 2008). For example, the Phoenix Mercury, a WNBA team, sends out birthday well wishes to all fans in their database. In addition to the birthday message, each email contains an offer or discount for the fan. There are many different reasons individuals become a fan of a specific sport team. Using relationship marketing, the sport organization can capitalize on these different fans by understanding the different wants and being

able to provide individual support to each. Relationship marketing has been recommended for sport organizations as teams address current issues such as unhappy fans and technological innovations while trying to stay competitive (Harris & Ogbonna, 2008; Kim & Trail, 2011).

Growth of Relationship Marketing in Sport

With increased competition for the sport fans dollar and rising costs, the sport industry has shifted to focus on relational based relationships (Gladden & Sutton, 2009). Three reasons were identified for how relationship marketing can help negate the aforementioned issues (Kim & Trail, 2011). Firstly, with increased competition vying for the consumers' dollar, it is more important than ever to retain customers. Sport organizations ability to provide great customer service and individualized relationships can lead to increases in renewal rates and positive word-of-mouth (Shreffler, 2015). It has been claimed that 80% of sales come from only 20% of sport consumers (Mullin et al., 2014). If sport organizations can retain 20% of their customers as season ticket holders every year, there is a chance these season ticket holders will spread positive word-of-mouth as well as make repeated purchases leading to increases in revenue.

The second reason sport organizations should utilize relationship marketing is to be proactive as relationship marketing may also be used to repair damaged relationships (Magnusen et al., 2012). Relationships go beyond the ticket purchase to experience and game-day memories (Scibetti, 2014). For example, sport team performance may not always meet fans' expectations, having stronger relationships are essential for overcoming decreased value caused by the poor performance (Bee & Kahle, 2006). Thus, by using relationships and understanding individual fans, organizations can repair these damaged relationships.

Thirdly, similar with other industries the increase use of relationship marketing in the sport industry was as a result of new technology (Kim & Trail, 2011). Technology has

commonly been agreed upon as a key driving factor of the growth and relevance of relationship marketing (Berry 1995; Sheth & Parvatiyar, 2002; Stavros et al., 2008). Technology has allowed organizations to track consumers purchase habits, manage customers' personal information, customize services offered, and provide two-way communication opportunities. As mentioned earlier, one of the key components of relationship marketing is the mutual beneficial relationship between both the organization and the fans. Two-way communication supports this interaction; however, prior to advances in technology this was an unrealistic goal (Kim & Trail, 2011).

Shani (1997) highlighted that relationship marketing is difficult to implement without the technology development of a CRM database. A CRM database is important to a relationship marketing approach because the database is essential for customer segmentation and personalization. Organizations that have a modern database are in a better position and can implement relationship marketing easier (Stavros et al., 2008). A CRM database system is also very helpful for monitoring the interactions between the fan and the sport organization (Mullin et al., 2014). A key benefit of using a loyalty program within a relationship marketing approach is the loyalty programs ability to gather otherwise unobtainable information that is used to create a bond with the fans (Liu & Yang, 2009). Through the use of a loyalty program, organizations have the capabilities to capture sport fans information with regards to interactions with the organization as well as basic demographic information. This information in turn can be used by sport organizations to individualize offers and messages to each fan. This information is a benefit for sport organizations as the organizations can have the relevant data that is needed to create a bond with the fans (Scibetti, 2014). Further research has developed frameworks for properly implementing and using relationship marketing in sport.

Relationship Marketing Framework in Sport

Shani (1997) modified the framework introduced by Shani and Chalasani (1992) to fit the relationship marketing framework into the sport industry (See Figure 2-2). This current framework added in three components determining industry structure as identified by Pitts, Fielding, & Miller (1994). The three components are sport production segment, sport promotional segment, and sport performance segment. Sport production segment incorporates all products needed for production of a sport such as equipment, apparel, and facilities. The sport promotional segment is defined as products or services used to promote the sport product. This includes promotional materials such as media, advertising, sponsorships, and events.

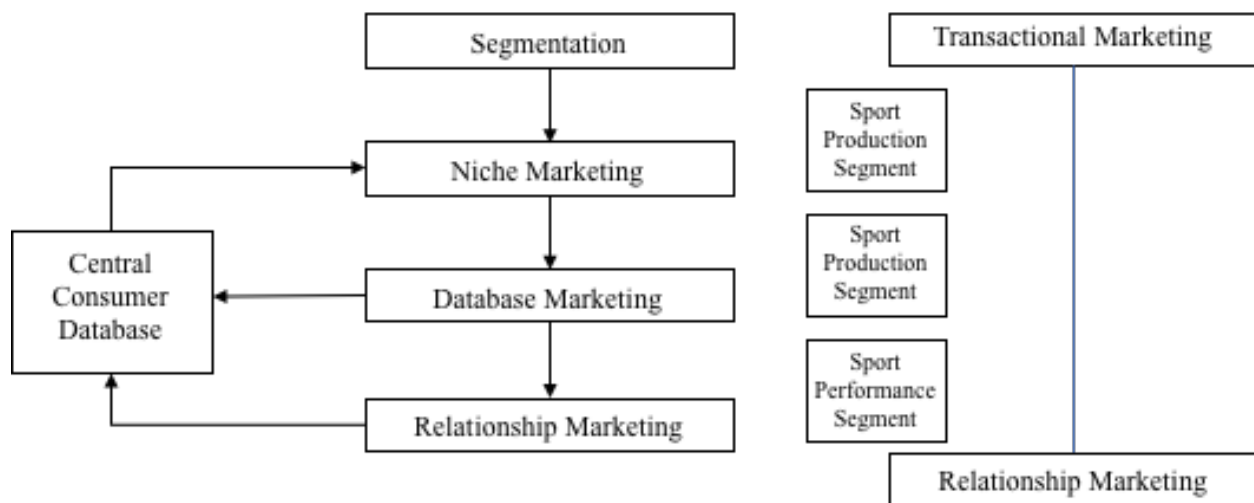


Figure 2-2. Relationship marketing framework in sport (Shani, 1997).

Lastly, sport performance segment includes consumption by consumers as either participants or spectators. Consumption contains niche sports, mainstream sports, college sports, and membership-supported sport organizations. These segments are important to understand as the sport production segment is closer to transactional marketing while sport performance segment is closer to relationship marketing with the sport promotion segment somewhere in between. Even though this framework highlights that the sport performance segment is closest to

relationship marketing, it should be noted that just with the sequential framework from Shani and Chalasani (1992), relationship marketing can be applied to all three of the sport segments as there are interactions between both parties at all three stages.

Bee and Kahle (2006) took a different approach and presented a functional approach to relationship marketing in sport based on attitudes. The researchers set out to understand how and why sport consumers engage in relationships marketing. The framework presented was based on the functional approach of attitudes with the belief that attitudes guide the meaning of relationships. The idea was “relationships that are internalized and based on shared values have the deepest level of influence and are most durable and consistent” (Bee & Kahle, 2006, p. 109). The researchers noted that despite the intensive exploration of relationship marketing in many contexts, research was lacking in sport.

In a response to Bee and Kahle (2006) and since the Shani (1997) framework is purely descriptive and does not explain why relationship marketing is adopted, Stavros et al., (2008) looked to extend the relationship marketing framework by explaining the strategies and issues of relationship marketing. The researchers interviewed key personnel at numerous Australian sport franchises including a football, rugby, basketball, soccer, and motor race organization. The resulting framework highlights the issues that develop when sport organizations are looking to implement a relationship marketing approach. This framework moves away from transactional marketing by first having a catalyst to readjust marketing which leads to organizational restructuring, and lastly utilization of research on the best approach to facilitate relationship marketing approaches. Stavros et al., (2008) emphasized the importance of a database to assist with relationship marketing as it was apparent that sport organizations that had a database were better positioned to implement the approach. Since the call for research by Bee and Kahle (2006)

and the development of extended frameworks and processes of relationship marketing by Stavros et al. (2008), researchers have found many outcomes for using relationship marketing.

Outcomes of Relationship Marketing

Relationship marketing has been shown to increase customer retention and brand loyalty (Kim & Trail, 2011; Williams & Chinn, 2010). Loyal customers are the ones who will continue to support the team and organization regardless of the team's success or price changes.

Relationship marketing has also been shown to increase relational exchanges such as word-of-mouth and customer feedback. Both of these relational benefits are relatively inexpensive and require minimal effort by the organization. Additionally, a loyalty program provides added leverage to word-of-mouth marketing, as loyalty program members are more influential to recruiting new customers than non-members (Dowling & Uncles, 1997). In addition to word-of-mouth, customer feedback and participation is essential for a relationship marketing approach. Customers' complaints allow an organization to modify offerings or service to better match customer preferences (Maxham & Netemeyer, 2003). Furthermore, complaints should be encouraged as organizations are presented with opportunities to appease and retain dissatisfied customers (Fornell & Wernefelt, 1987).

Using a loyalty program in a relationship marketing approach has been shown to not only increase customer feedback but also increase the magnitude and volume of re-patronage (Lacey, 2015). Attendance at sporting events continues to be a primary objective of sport organizations as ticket sales account for approximately 20-50% of total revenue for professional sport organizations (Badenhausen, Ozanian, & Settimi, 2007). Furthermore, ticket sales for minor league or niche sporting events represent a higher percentage of total revenue for the organization (Fulks, 2008). Believed to be a result of implementing its relationship marketing

approach, the German Bundesliga Football Club Borussia Dortmund had the highest average attendance of fans in Europe at 80,000 fans per match (Buhler & Nufer, 2010). Since loyalty programs have been conceptualized to impact relationship marketing (Lacey, 2015), it is important to empirically test the true effect loyalty programs have on the relational constructs that measure relationship marketing.

Summary

This section provided details on how relationship marketing can and has been implemented in the sport industry. Since there are a variety of entertainment options from other teams, sports, movies, and concerts it is imperative for sport organizations to capitalize on relationship building activities. By developing and maintaining a relationship, sport organizations can keep customer's attention on the organization and organization-related activities, instead of customers having a wandering eye for new entertainment. Due to the technological advancements made over the last few decades, it has become easier to implement a relationship marketing approach. The majority of the relationship marketing framework literature highlighted the importance and need for a CRM database to properly implement and use a relationship marketing approach. It appears beneficial to understand how loyalty programs impact the relationship marketing approach by determining if a loyalty program actually impacts fans relationships with sport organizations. The use of a loyalty program provides sport organizations the necessary tools to set up and collect information for a database. As the majority of the literature presented on sport and relationship marketing deals with mainstream sport organizations, it is also important to explore if sport fans of different levels of sport (niche vs. mainstream) regard a loyalty program or relationship marketing the same way.

Measuring Relationship Marketing

Understanding that relationship marketing approaches have become major components of marketing today, it is imperative to measure relationship marketing to determine if organizations should invest in the approach. Operationalizing relationship marketing is difficult to do as no single construct fully captures the entire relational exchange between organizations and their customers (Magnusen et al., 2012). However, the success of relationship marketing must be measured to encourage its use as a marketing approach (Sheth & Parvatiyar, 2002). Often, relationship quality, a multidimensional construct capturing related facets of a relationship is used to evaluate and understand the overall strength of relationships between sport fans and sport organizations (Kim & Trail, 2011). These relationships are built on and foster interactions between not only the organization and customer but also between customers. Thus, customer engagement is also needed to fully measure the impact of a relationship marketing construct.

Customer Engagement

Customer engagement was developed from a relationship marketing and service-dominant logic; both are centered on co-creative interactions and connections (Brodie et al., 2011). The theoretical concept of customer engagement introduced by Vivek et al. (2012) refers to customer engagement as the expanded domain of relationship marketing. Early conceptualizations of relationship marketing included both offensive and defensive marketing activities. However, the majority of relationship marketing literature has been focused on studying defensive activities aimed at customer retention. Defensive activities are aimed at reducing customer exit or brand switching. For example, Starbucks was not the first coffee shop to offer free Wi-Fi but rather started to do so in order to maintain its' customers and market share

(Miller, 2010). By focusing on defensive marketing strategies, there has been a lack of studies and use of relationship marketing in offensive marketing activities (Vivek et al., 2012).

Offensive marketing activities include acquiring new customers and increasing purchase frequency. PepsiCo realized that continuing to go head to head with Coca-Cola was a losing strategy; instead they decided to focus attention on reaching the underserved market of supermarkets. PepsiCo focused on all its products being sold at supermarkets including Frito-Lay and Tropicana, which allowed them to be the leading food and beverage business in North America (Yannapoulos, 2011). It has been found that it is important to understand the experiences of both existing and potential customers (Vargo & Lusch, 2008). Thus, relationship marketing should incorporate experiences of both existing and potential customers and can do this by incorporating and studying customer engagement in a relationship marketing framework.

Relationship marketing with customer engagement stresses interactions with both existing and potential customers, who subsequently derive value from these experiences and interactions (Vivek et al., 2012). Vivek et al. (2012) highlighted four areas where customer engagement enhances relationship marketing. Firstly, customer engagement can be established with a brand regardless if a purchase is made or soon to be made. Second, customer engagement does not have to be purchase focused at all and rather the main focus can be on achieving engagement. For example, Dove successfully engaged customers or potential customers by inviting them to participate in the real beauty campaign. The campaign used photographs of a variety of women with different body shapes and sizes to help increase teenage girls' self-esteem. Being over 10 years old now, the campaign has turned into one of marketing's most successful campaigns that now includes billboards, TV ads, and online videos with real women still sending in photos of themselves (Bahadur, 2014).

The third way customer engagement can enhance relationship marketing is that current and potential customers often interact among themselves. These interactions similarly related to word-of-mouth, can influence consumption decisions as other customers feedback and opinions are often more influential than company advertising (Vivek et al., 2012). Starbucks has always relied on word-of-mouth marketing through social media and customer feedback on its online platforms. In addition to the interactive platform Starbucks has on their website, Starbucks also has a site called “My Starbucks Idea” so customers can submit ideas, suggestions, and feedback to help improve the brand (Starbucks, 2016). Because of these opportunities for customers to provide feedback, customers are inclined to share their positive experiences and recommend Starbucks to friends, family, and colleagues.

Lastly, customer engagement within relationship marketing allows organizations and customers to have interactions that are focused on sharing experiences and solving each other’s problems. The construct of customer engagement is an important construct within relationship marketing as it allows for a broader view of interactions between organizations and customers and customers and customers. Through customer engagement, trust, goodwill, and commitment are developed which subsequently leads to the development of relationships. Thus, customer engagement and interactions are needed to fully measure the impact of a relationship marketing construct. Customer engagement measures the number of interactions but not the magnitude of the interactions. Relationship quality may be one way to assess the scope of these interactions.

Relationship Quality

Relationship quality can be defined as an “overall assessment of the strength of a relationship, conceptualized as a composite or multidimensional construct capturing different but related facets of a relationship” (Palmatier, Dant, Grewal, & Evans, 2006, p. 138). There are

several main reasons it is critical to measure relationship quality when implementing a relationship marketing approach. First, even though the relationship between sport organizations and sport consumers is emphasized in both academics and practice, understanding the key elements of a successful relationship were not always clear. Kim and Trail (2011) identified that previous literature had not provided insight into the objectives of what makes a good relationship between sport organizations and sport consumers. Furthermore, some of the literature indicates that relationship quality helps systematically organize the wide-range of constructs built on various theoretical bases in a wide range of fields into a single conceptual framework (Fournier, 1998).

Another reason to measure relationship quality is that relationship quality can provide insight into what makes a successful versus unsuccessful relationship (Smit et al., 2007). By measuring a variety of constructs, the relationship between sport organizations and sport consumers can be revealed. More so, relationship quality can help identify what kinds of problems exist in relationships and how the problems should be addressed (Roberts, Varki, & Brodie, 2003). For example, MLB teams in small markets, have to establish relationships with their fans outside of the experience during games. Weeknight games during the baseball season can prove to be challenging in attracting fans to attend as the average number of tickets sold is less than weekend games (Yanofsky, 2013). If teams can understand the fans relationship quality, it would allow the teams to address how relationship marketing approaches can improve community relations to attract fans to the games. Since the intangible benefits of relationship marketing are not easily copied, it is imperative that sport organizations understand where the weaknesses in the relationships exist, so that the fans relationship can be strengthened.

In addition to monitoring the quality of the relationship, sport organizations can use relationship quality to measure the effectiveness of the relationship marketing approach (Roberts et al., 2003). Having a relationship quality measure makes it possible to assess the relationship between sport organizations and sport consumers (Kim & Trail, 2011). Understanding the level of relationship quality effectiveness, allows sport organizations to develop corresponding relationship marketing strategies to improve the current relationship (Kim et al., 2011b). Since strong relationships are key advantages for sport organizations, relationship quality effectiveness is an indicator of the long-term strength of the relationship between sport organizations and sport consumers. Thus, customer engagement and relationship quality should be examined in a relationship marketing framework to understand how interactions and quality influence the development and maintenance of a relationship.

Fan Engagement

Customer engagement contributes to the core relationship marketing principles of repeat patronage, retention, and customer loyalty (Verhoef, Reinartz, & Krafft, 2010). Engagement can be thought of as tool for creating, building, and enhancing customer relationships (Brodie et al., 2011). There is an emotional, psychological, and physical investment by the customer when the decision is made to engage with an organization. The struggle organizations face when trying to engage customers is making the customer feel the time, money, and commitment they make is worthy of the organization (Tripathi, 2009). Many dimensions of customer engagement including product involvement, frequency of service, and word-of-mouth coincide with outcomes of relationship marketing.

Since organizations are starting to see that customer engagement is a relationship marketing approach measuring the strength of customer relationships (Verhoef et al., 2010); it

has become more important for organizations to understand how to interact beyond the exchange of money with their customers. Customer engagement can form emotional and psychological investments between customers and organizations (Brodie et al., 2011), thus, sport organizations should utilize many different avenues of interactions to fully engage with sport fans. Following the idea that customer engagement has become a vital tool for sport organizations looking to build long-term relationships with their fans, this study will view customer engagement from a relational viewpoint. Choosing to look at customer engagement from a relational viewpoint is only the first step to fully understanding customer engagement, as there are many conceptualizations of relational customer engagement.

The most widely used model to explain customer engagement is the behavior-based model (van Doorn et al., 2010; Verhoef et al., 2010). Behavior can be viewed as conscious participation, representative of trust and commitment between the organization and customer. Another model used to measure customer engagement is the cognitive-based model, derived from Sprott, Czellar, and Spangenberg's (2009) brand engagement in self-concept (BESC) model. The BESC simply states that customers incorporate their favorite brands in to their own self-concept. While these models are all uni-dimensional definitions of customer engagement, Vivek (2009) attributes customer engagement to be a multidimensional construct. As such, customer engagement in this study is the combination of the behavioral reaction and cognitive judgment models, as well as emotional attachment (Brodie et al., 2011).

This multidimensional view of customer engagement can be used to measure the impact customer engagement interactions have on relationship quality. Fan engagement can be considered a form of customer engagement (Yoshida et al., 2014). Even though fans have been engaging with sport teams for many years, only recently have researchers begun trying to

conceptualize engagement. Within sport management research the word engage has often been used to explain sport fans behaviors. Yoshida et al. (2014) performed a comprehensive search within sport marketing literature for the word engage. The majority of the research found, centered around the behavioral based model of customer engagement. Fan engagement has been used as a predictor and a behavioral outcome of sport fan behaviors.

Using the definition of fan engagement from Yoshida et al. (2014), there is evidence that the more Japanese soccer fans engage with a team, the higher the purchase and referral intentions. Repeat purchases and referral intentions from a sports fan validates a commitment to the sport organization and existence of a quality relationship. As sport fans continue to engage with sport organizations, the interactions show a level of trust from the fan to the organization. From a strategic standpoint and as a predictor of future success, fan engagement can be thought of as a valuable tool for organizations (Yoshida et al., 2014). A marketing approach that allows for fan engagement should contribute significantly to relationship building for professional sport teams through both transactions and non-transactional behavior. Customer engagement creates long-term, more meaningful connections between organizations and customers (Kumar et al., 2010). Besides fan engagement acting as a predictor for other variables, the amount of fan engagement can be as a result of other variables.

Measuring Fan Engagement

Based off previous research on fan engagement in the sport marketing literature, Yoshida et al. (2014) defined fan engagement and created a model to measure fan engagement. Three main themes Yoshida et al. (2014) found were customer engagement in non-transactional behaviors, transactional behaviors, and long-term relationships with a team. Even though some studies in sport included the transactional behaviors, Yoshida et al. (2014) focused on the non-

transactional exchanges. Some non-transactional behaviors sport fans engage in are basking in reflected glory (BIRGing), cutting of reflected failure (CORFing), being active on social media, and partaking in tailgate activities (Achen, 2016; Cialdini et al., 1976; James, Breezeel, & Ross, 2001). These non-transactional behaviors include both internal behaviors such as BIRGing and CORFing and external behaviors such as blogging and word-of-mouth.

Furthermore, relational customer engagement includes word-of-mouth and participating in a loyalty program. When sport fans download an organizations mobile application or ‘like’ an organizations Facebook page, they are joining an online community and engaging in relational behaviors. By joining the community, sport fans can engage not only with the organization but also other fans through communication, games, and images. South African football fans who used the team’s social media page, were found to have increased fan engagement levels (Stander & de Beer, 2016). Understanding how to increase fan engagement as well as how fan engagement leads to other variables is crucial for sport organizations looking to develop lasting relationships.

Fan engagement can be defined as a fan’s extrarole non-transactional behaviors that result in benefits for both fans and the team. Extrarole behavior refers to fan behavior (e.g. social media use, positive word-of-mouth, and participation in a loyalty program) that is outward directed and looks to benefit the team and other fans (de Ruyter & Wetzels, 2000). The fan engagement model tested by Yoshida et al. (2014) included the components of management cooperation, prosocial behavior, and performance tolerance. Management cooperation refers to a fan’s participation creating value for the team by providing feedback. Prosocial behavior measures fan interactions both interpersonal and online. Lastly, performance tolerance attempts to capture fan support regardless of the team’s success (Yoshida et al., 2014).

Yoshida et al. (2014) initially tested the model by surveying 402 fans at a professional soccer game in Japan. By running a CFA, the researchers tested the psychometric properties of the items and found that the proposed constructs were internally consistent. As well, reliability and validity were tested and found to be acceptable. The researchers then tested the model a second time to provide further evidence for construct validity as well as testing the model with behavioral outcomes. For this second study Yoshida et al. (2014), collected data from 472 spectators at a different professional soccer game in Japan. The CFA once again indicated that the measurement model is an acceptable fit to the data. More so, the reliability and validity scores were acceptable. The results of the model revealed that management cooperation and performance tolerance positively influenced purchase intentions while prosocial behavior positively impacted referral intention. Thus, moving forward, this study when referring to fan engagement will take the framework presented by Yoshida et al. (2014).

Fan Engagement through Loyalty Programs

Sport organizations may be able to use loyalty programs to increase fan engagement. The ultimate goal of a loyalty program is to establish high levels of customer retention by providing increased satisfaction and value to customers (Bolton, Kannan, & Bramlett, 2000). Through the use of loyalty programs customers may increase his or her transactional and non-transactional behaviors. For instance, customers may purchase more, pay premium prices, spread positive word-of-mouth, and send referrals (Bolton et al., 2000). However, there have been unconvincing results determining if loyalty programs actually enhance engagement.

One strategy that might be appropriate in this context is a fan loyalty program, which might facilitate recurring behavior and could encourage consumer interaction (Rosenbaum, 2008). One conclusion drawn from the existing literature is that consumers' fan loyalty program

participation moderates the link between consumers' attitudinal and behavioral responses (Evanschitzky & Wunderlich, 2006; Seiders, Voss, Grewal, & Godfrey, 2005). Evanschitzky and Wunderlich (2006) found relationship program participants were more likely to allocate resources (money, time, and effort) to service providers that offer superior customer value.

In the case of loyalty programs that provide consumers with social interaction opportunities rather than simple financial incentives, such communal programs elicit various types of social support from other consumers: intimate interaction, social participation, physical assistance, feedback, guidance, and material aid (Rosenbaum, 2008). By providing superior value, fan loyalty program participation may promote social behavior among participants. Because brand equity is a significant defining element of customer value (Rust, Lemon, & Zeithaml, 2004), fan loyalty program participants were more likely to tell others about their positive impressions of the team itself, the other fans, and the fan community (Yoshida et al., 2015a). Loyalty programs, as part of a relationship marketing approach, encourage consumer interactions to facilitate the relationship building process.

Summary

In order to maximize a relationship marketing approach to be successful there has to be engagement between the customer and organization (Vivek et al., 2012). Fan engagement has been shown to improve the relationship quality between the NBA, a mainstream sport organization, and NBA fans as well as increasing behavioral outcomes (Achen, 2016). The literature has highlighted how using fan engagement allows organizations to focus on building relationships with customers. For sport organizations, implementing a loyalty program allows the organization to engage with sport fans. Beyond signing up for the loyalty program, the loyalty program encourages fans to engage more often with the organization through incentivizing a

variety of engagement activities. As sport organizations are readily using loyalty programs, it is imperative to have an understanding of how the use of a loyalty program is impacting the three main factors of fan engagement.

Relationship Quality in Sport

Kim & Trail (2011) developed a conceptual framework in order to fill a gap on how the effectiveness of relationship marketing should be evaluated. The researchers felt that the previously developed relationship marketing frameworks were limited, as they did not address the elements of a good or bad relationship. The goal of the relationship quality framework was to offer a platform to organize important aspects of a relationship in an effort to distinguish successful and unsuccessful relationships. To determine the constructs that represent relationship quality, the researchers reviewed literature related to relationship quality from many different disciplines. Some variables such as satisfaction, partner quality, and love were left out of the model due to a lack of theoretical or empirical justification. The five constructs Kim and Trail (2011) did use in the conceptual model were: trust, commitment, self-connection, intimacy, and reciprocity.

Kim et al. (2011b) empirically tested the conceptual model Kim and Trail (2011) developed. Kim et al. (2011b) tested the same five factors through a three-study process starting with a comprehensive literature review, moving to testing the psychometric properties of the scale, and lastly ending with cross-validation of results with two separate samples. Three samples were used from a large southeastern university starting with study one having 154 students from sport classes, study two having 631 individuals from campus, and study three consisting of 300 spectators at two college baseball games. Study one consisted of scale construction through literature reviews and qualitative evaluations. Refinement of the initial

scale was made based on the content validity and psychometric properties. Study two confirmed the development of the sport consumer-team relationship quality scale (SCTRQS). A confirmatory factor analysis (CFA) was run and the results provided evidence that the SCTRQS fully measured the intended constructs. Lastly, study three cross validated the results by generalizing the population to include both a different sport and different sample university. A CFA was run on the data and found supporting evidence for concurrent validity and a good fitting model. Thus, the evidence provided by Kim et al. (2011b) showed that the SCTRQS was a good measure of relationship quality in sport.

Following Kim et al. (2011b), Kim, Trail, and Ko (2011a) also empirically tested the conceptual model introduced by Kim and Trail (2011). For their empirical model, Kim et al. (2011a) investigated the cognitive structure of the relationship quality constructs in addition to testing the link between relationship quality with attendance, media consumption, and merchandise consumption. Since many researchers typically use a hierarchical structure to explain relationship quality as a second-order construct with first-order relationship quality constructs (De Cannière, De Pelsmacker, & Geuens, 2009), Kim et al. (2011a) wanted to compare a general-specific model to a hierarchical model to see which approach is more useful. Since researchers have suggested that relationship quality constructs closely interact but are differentiated, a hierarchical model hypothesizes that relationship quality is a second order construct with numerous first order relationship quality constructs. General-specific models are alternatives to hierarchical models and denote that the relationship quality constructs are independent from the general relationship quality factor.

The researchers collected data from 631 participants who were affiliated with a southeastern university, and the study was conducted under the context of a Division I football

bowl subdivision university. The results revealed that the general-specific model fit slightly better than the hierarchical model and that relationship quality explained large portions of intention to attend, intent to consume media, and intent to purchase merchandise. As both Kim et al. (2011b) and Kim et al. (2011a) empirically showed the conceptual model worked, this study will use the SCTRQS as a framework for relationship quality in sport. Each of the final five factors of relationship quality can be evaluated as outlined below.

Trust

Numerous relationship marketing studies have examined the role of trust and commitment have shown that both are key indicators of good relationships (Hennig-Thurau, Gwinner, & Gremler, 2002; Kim & Trail, 2011; Morgan & Hunt, 1994). Morgan and Hunt (1994) conceptualized trust as “existing when one party has confidence in an exchange partner’s reliability and integrity” (p. 23). The researchers examined automobile tire retailers to test if trust is a mediating variable of successful relationship marketing. Trust is an essential ingredient in a relational exchange and is a factor in long-term relationship development (Morgan & Hunt, 1994). Thus, their results indicated that failing to include trust, as an important factor of relationship quality would result in flawed conclusions.

When sport fans have trust in an organization, fans will have a higher propensity to engage with the organization. Magnusen et al. (2012) examined the impact of relationship quality factors of reciprocity, trust, and commitment. Using a sample of 423 undergraduate students, the researchers used a CFA measurement model to test if the three factors of relationship quality impacted intention to attend future events. With regards to trust, the results revealed that trust significantly influenced attendance intentions of future events. These results emphasize that individuals who show trust in an organization are more likely to exhibit

behavioral intentions and actual behaviors towards the organization. There is a consensus that trust is an important predictor in the strength of a relationship between organizations and their customers (Fournier, 1998; Kim et al., 2011; Morgan & Hunt, 1994).

Sport fans with higher levels of trust have been shown to lead to future purchases and a willingness to pay higher prices (Funk & James, 2006). A loyalty program is a viable option for organizations to develop deeper trust with fans. Gómez, Arranz, and Cillán (2006) analyzed the behavioral and affective loyalty of retail customers to determine the role of loyalty programs. The researchers collected data from 750 customers exiting locations of a Spanish supermarket chain. The variables tested regarding the loyalty program were attitude, satisfaction, trust, and commitment towards the retailer. The results showed that shoppers who had a loyalty program showed more trust in the supermarket chain than non-members of the loyalty program.

While the study by Gómez et al. (2006) did not use a relationship marketing framework, it provides evidence that loyalty programs can impact a consumers' trust. Loyalty programs and relationship marketing are built on the idea that both parties involved are receiving promised goods or services such as groceries or money. Thus, sport fans who willingly enter into a relationship with a sport organization by using a loyalty program, are demonstrating a level of trust with the organization. To date, there is no sport literature on the differences in trust between loyalty program members and non-members. Overall, trust has been shown to be an influencing factor in relationship quality and needs to be examined in relation to the use of a loyalty program.

Commitment

Commitment is defined as a relationship that is so important one would be willing to put forth maximum effort to continue the relationship into the future (Morgan & Hunt, 1994). In

addition to finding trust as a mediating variable, Morgan and Hunt (1994) also found commitment to be a mediating variable between shared values, trust, relationship termination, and cooperation. The results of the study showed that if a relationship is deemed important by both sides, those who are committed are willing to exert effort and work to maintain the relationship, which then positively influences cooperation and other positive outcomes (Morgan & Hunt, 1994). Commitment to a relationship can be thought of as a desire to maintain a valued relationship.

Benefits of being committed to an organization include a more efficient decision-making process, familiarity of products and services, and the cognitive consistency in decisions increase while cognitive dissonance decreases (Bee & Kahle, 2006). Commitment is a durable lasting desire to preserve a valuable relationship fueled by reciprocal exchanges (Dwyer et al., 1987). Magnusen et al. (2012) found that commitment impacted attendance intentions of undergraduate students attending the games of an NCAA division I baseball team. While this study found that commitment led to a behavioral intention, there is a lack of research on if commitment leads to a relational behavior.

When sport fans have continued interactions with sport organizations, the accumulation of the interactions can reflect commitment on the fans part. The same can be said when sport fans sign up for a loyalty program with a sport organization as fans are establishing an interest to develop a relationship. Engaging with a loyalty program shows a commitment from both the organization and fan as the organization has developed the loyalty program and the sport fan has signed up to use the program. The study by Gómez et al. (2006) showed that loyalty program participants of the supermarket chain had higher commitment than non-participants in the loyalty

program. These results highlight the need to further test if loyalty programs influence commitment in sports or just retail.

Commitment has been emphasized as a key component of relationships between sport fans and teams and has a substantial role in consumption decisions (Mahony, Madgrigal, & Howard, 2000; Wann & Pierce, 2003). Furthermore, when there is little interpersonal contact between the organization and the customer, a loyalty program can be used to develop a sense of community (Lacey, 2007). Commitment is a driver of relationship marketing and has a defining role in the consumer and sport organization relationship. Thus, based on the previous information, commitment needs to be examined with respect to a loyalty program within the sport discipline.

Intimacy

Even though intimacy is typically referred to within a romantic relationship, it can be applied to relationships in a nonromantic manner (Kim & Trail, 2011). The main perspective of intimacy during the past has been on the closeness of interpersonal relations. Intimacy has been defined as the familiarity, closeness, understanding, and openness between relationship partners (Fournier, 1998; Kim & Trail, 2011). These dimensions of intimacy are used to describe the relational bond between organizations and consumers (Harris & Ogbonna, 2008). Sternberg (1986) claimed that intimacy unlike passion does not spike up and down within short bursts of time periods but rather is an accumulation of knowledge over time.

Smit et al. (2007) examined the consumer-brand relationship and tested if certain brands differed in terms of perceived relationship quality. The researchers defined intimacy as the “psychological closeness between the relationship partners and the knowledge about the brand” (p. 628). The study used the Brand Relationship Quality scale to measure users of competing

brands such as Ford versus Volvo, Compaq versus IBM, Grolsch versus Heineken, and Andrélon versus Dove. The results of the study found that all brands except for the car brands (Ford versus Volvo) differed on the brand relationship quality scale, which included intimacy. Moreover, the results revealed that there was some sort of emotional connection between the consumers and the brand they used.

Harris and Ogbonna (2008) provide further support that intimacy is an important factor of relationship quality. The researchers aimed to uncover the extent to which sport fans of the English Premier League (EPL) exhibited relational links to the sporting organization. Harris and Ogbonna (2008) used focus groups and interviews to ask EPL fans about their relationship with the organization. Fans were found to feel a level of intimacy with the team that exceeded their level of intimacy with any other organization or brand. Intimacy with regards to the team was described in a similar manner of social movements or religious devotion. One fan stated, “You don’t just sit there and watch Liverpool, you worship Anfield [the home ground of Liverpool Football Club]” (p.7). These results by Harris and Ogbonna (2008) introduce the sport world to intimacy between fans and teams but do not explain if any relationship marketing tools impact intimacy.

As sport fans become more engaged with an organization the level of knowledge increases, thus intimacy is expected to also increase. Intimacy can be formed through either face-to-face contact or technology-mediated communication (Froehle & Roth, 2004). Using a loyalty program, sport organizations can engage in two-way interactions with sport fans. Through these interactions, sport fans have the opportunity to develop a better understanding of who the organization is and what they represent. Thus, the use of a loyalty program has the potential to

increase intimacy for loyalty program members. Intimacy has been regarded as an important component of relationship quality (Smit et al., 2007).

Identification

Self-connection has been identified as an essential factor of relationship quality (Fournier, 1998; Smit et al., 2007). According to Fournier (1998), self-connection is a “relationship quality facet [that] reflects the degree to which the brand delivers on important identity concerns, tasks, or themes, thereby expressing a significant aspect of self” (p. 364). Kim and Trail (2011) state that self-connection to a brand parallels team identification. Identification is defined as the personal commitment, perceived connectedness, and emotional involvement a fan has with the team, taking on the achievements and failings as their own (Hunt et al., 1999; Madrigal & Chen, 2008).

Within sport research, identification has been explored in many areas including BIRGing, CORFing, sponsorship, and fantasy sports (Cialdini et al., 1976; Gwinner & Bennett, 2008; Shapiro, Drayer, & Dwyer, 2014; Wann & Branscombe, 1993). The antecedents of identification can be linked to the value or social recognition of a relationship a fan has with a team (Bee & Kahle, 2006). A sport fan will maintain a relationship with a sport organization if it is found to be relevant and attractive. Additionally, identification not only influences relationships but has also been linked to team-related affective, cognitive, and behavioral outcomes (Bee & Kahle, 2006).

For fans, they want to maintain or enhance their image by using their relationship with the organization. Thus, sport fans would be more likely to establish or maintain a relationship with an organization if they can identify with the team. Pritchard and Negro (2001) examined the effectiveness of a sport loyalty program for fostering fan relationships with both a team and its’

sponsors. The researchers had a sample of 268 baseball fans from Arizona and looked at the impact the loyalty program had on identification and attachment. Results showed that the loyalty program significantly impacted the level of identification a fan had with the team. Fans who approved of the loyalty program were much more likely to not only identify with the team but also purchase sponsor products. These results show the impact a loyalty program can have on team identification.

It has been suggested that the development of fans identities is an important predictor of relationship marketing success. Since many sport fans choose to sign up for a loyalty program with a sport organization, it is likely that fans choose to sign up for loyalty programs of organizations with which they identify. A limitation of the Pritchard and Negro (2001) study was the lack of comparing loyalty program members' identification with the team to non-members identification with the team. In order to fully understand if a loyalty program is impacting a sport fan's identification, it is necessary to compare loyalty program members to non-members.

Reciprocity

Reciprocity is the last characteristic identified for a quality relationship. Relationships characterized by reciprocity represent a feeling of indebtedness; meaning expectations of a give and take relationship are met. Reciprocity can be defined as "internalized beliefs and expectations about the balance of obligations in an exchange relationship" (Palmatier, 2008a, p. 77). Through studying sellers of industrial products and services and their customers across a variety of markets, Palmatier (2008a) examined customer value based on relationship quality and reciprocity. The results highlighted that when customers felt reciprocity wasn't equal between the sellers and buyers, customer value decreased. Relationship quality as a whole was identified as a key driver of customer value. Palmatier (2008a) found that if one party initiating the social

exchange shows high trust, then the exchange partner would show corresponding high trust. Based on the results from Palmatier (2008a) it is highlighted that customers want an even exchange between what they give and get in return or the value they place on that company decreases.

Previous research has indicated that a through a sense of obligation to help and be helped, reciprocity inherently maintains balanced relationships (Tan, 2014). It has been found that reciprocity has a major role in creating trust and commitment for one or more parties. This is supported by Magnusen et al. (2012) who found that reciprocity was strongly supported by mediated paths of trust and commitment to sport consumers intentions to attend. However, even though the results showed reciprocity had a high positive correlation with attendance intention through the mediating effects of trust and commitment, reciprocity had a negative direct effect on attendance. The results of this study showed that reciprocity is an important factor of relationship quality when dealing with behavioral intentions but is unclear on the impact that reciprocity actually has. Additionally, further research is needed to determine the impact reciprocity has on other outcome variables besides attendance.

Howard and Crompton (2004) highlighted that the relationship between sport teams and sport fans will only continue if both parties feel that the relationship is balanced. In order to have reciprocity there needs to be effort and cooperation from both the organization and fans. Loyalty programs have been shown to impact the level of cooperation fans have towards the organization. Such that loyalty program members had higher levels of cooperation and saw more benefits from staying in the relationship with the organization (Keh & Lee, 2006). A key component of both a loyalty program and relationship marketing is a mutual beneficial relationship; thus, fans that use a loyalty program feel that they are benefiting from using the

program. Reciprocity is an important driver of creating relationships and important for relationship quality in a relationship marketing approach.

Summary

Identification, intimacy, trust, commitment and reciprocity are important elements of a quality relationship. In evaluating the strength of relationships between organizations and fans, a quality relationship is fundamental. Without a solid relationship, sport fans will not be as willing to interact with sport organizations, as there could be a lack of trust in the organization from the fan. The use of loyalty programs has been shown to increase the levels of reciprocity, commitment, and identification. There is currently no research on the impact a loyalty program would have on trust or intimacy. It is imperative to examine how the use of a loyalty program influences the factors of relationship quality in sport as relationships are the foundation for lasting success. Thus, it is important to understand what a loyalty program is and how it can impact fan engagement and relationship quality.

Loyalty Programs

Different organizations may choose to use a loyalty program for different reasons, such as one organization using the loyalty program to focus strictly on building loyalty while another organization may use the loyalty program to increase customer retention rates. Loyalty programs are different from other marketing tactics due to being long-term oriented and focusing on customer retention and purchase frequency (Liu & Yang, 2009). As a marketing strategy, loyalty programs are designed to build and secure customer engagement and loyalty by providing incentives to customers (Gómez et al., 2006; Ha & Stoel, 2014). When organizations are looking to implement relationship marketing and use a customer relationship management strategy, a loyalty program is one of the basic components (Javalgi, Martin, & Young, 2006).

Characteristics of a Loyalty Program

Properly executed loyalty programs are implemented to increase the usage of a company's products or services (Bolton et al., 2000). Loyalty programs typically include a variety of activities such as program cards, earning points, levels of rewards, and the actual rewards. Enrollments for most loyalty programs are a means of self-selection where the customer takes time to complete a form with the required information. The basic information required is their name, address, email address, and phone number. Some organizations may also ask for other basic information such as number of household members, age, and education level. The best loyalty programs are also able to obtain information on product usage data, purchasing habits, feelings, and attitudes toward goods or service (Wansink, 2003). In exchange for signing up for the loyalty program, customers can get an immediate discount or accumulate points. Over time when customers make purchases, connect on social media, attend events, among other things, loyalty program members can accrue points to be redeemed for a variety of rewards. Rewards are usually tiered meaning the more points a member has the bigger or better reward that can be redeemed. Membership information and usage data can be used to optimize strategic decision making, merchandising decisions, and customize offerings (Ashley, Gillespie, & Noble, 2016). Due to the nature of how a loyalty program works, organizations looking to implement relationship marketing are increasingly looking at a loyalty program as a marketing approach (Lacey, 2015).

A loyalty program is defined as “coordinated, membership-based marketing activities designed to enhance the building of cooperative marketing relationships” toward the organizations offering the program (Lacey, 2015, p. 105). It is important to differentiate between a loyalty program and a reward program, even though they have been used interchangeably in

the literature (e.g., Henning-Thurau et al., 2002; Shugan, 2005; Dholakia, 2006). A key distinction between loyalty programs and reward programs is the use of “soft-benefits.” Loyalty programs use both soft and hard benefits while reward programs strictly use hard benefits. Hard benefits are “tangible rewards with monetary value,” and include cash incentives, rebates, discounts, or merchandise (Lacey, 2015 p. 107). For example, the Los Angeles D-Fenders, an NBA minor league basketball team provides signed basketballs and a \$10 food voucher to fans who meet the MVP level. On the other hand, soft-benefits are relationship-focused and intangible; including specialized customer service, member only events, and preferred seating (Lacey, 2015). The LA D-fenders also provide their fans with soft benefits in the form of tours of the facilities and playing on the Lakers practice court for 30 minutes. Thus, it is the use of loyalty programs not reward programs that helps build lasting relationships under a relationship marketing approach.

Loyalty program members are often rewarded with discounts, goods, services, personalized offers, and specific marketing offers, or preferential treatment (Meyer-Waarden, 2013). Nunes and Dreze (2006) found that goal-driven individuals are more persistent in reaching a reward goal. More so, consumers are more persistent when reward points rather than number of purchases, are used to document progress towards a reward. Reward tiers are thus effective because consumers build identities within each tier that can lead to commitment to the brand (McCall & Voorhees, 2010). Furthermore, research has found that three tier-programs compared to two tier-programs develop higher satisfaction as the third-tier members develop feelings of status or elite. Saks Fifth Avenues, customer relationship management loyalty program, SAKSFIRST provides four different reward tiers. Based on consumers’ yearly spending, the tiers ranged from a \$5,000 tier (premier) up to a \$25,000 tier (diamond). At the

end of the year, Saks Fifth Avenue sends each SAKSFIRST member a discount coupon in addition to providing a direct customer service telephone number, personal shopper, and early access to sales.

Using a tiered-system, allows organizations to build lasting relationships and profitability at the same time, by understanding consumers' customer lifetime value (CLV). CLV is defined as the net present value of all current and future transactions (Meyer-Waarden, 2007). By using a tiered-system, developing a relationship and building loyalty is handled at the first or lower levels of the tiered-system by treating customers the same and rewarding based on monetary amount spent. Then at the second or higher levels, organizations use previous customer data to determine if specific customers qualify for additional rewards (Kumar & Shah, 2004). By using a tiered system, organizations can carefully select appropriate customers who are the most valuable or provide the highest CLV values. Since the costs of loyalty programs can be steep, it is important that organizations are putting resources into profitable customers.

In the United States, organizations spend over \$1.2 billion on loyalty programs a year (Berry, 2015). An organizations loyalty program needs to include: initial and ongoing promotional expenses, information technology hardware and hardware servicing costs, database creation and maintenance, and the direct costs of loyalty rewards (Uncles, Dowling, & Hammonds, 2003). Additional expenses include overhead for marketing, finance, training, partnership relations, and issuing regular activity statements (Shugan, 2005; Xie & Chen, 2013). Startup costs for a loyalty program can be substantial, for example Shell spent an estimated £20 to £40 million (\$30 to \$50 million) on their SMART loyalty card (Dignam, 1996). Beyond expensive startup costs, loyalty programs can be expensive to maintain. Within the supermarket industry, the yearly maintenance costs for a loyalty program range between one and one and a

half percent of total sales. For other industries, the maintenance costs can range between two and five percent of total sales (Beal, 2004), especially in competitive environments. It has been estimated that administrative expenses associated with a loyalty program can surpass \$20 or more per customer per year (Grinnell, 2003).

Even though a loyalty program may not be cost-effective in the short run, in the long run the loyalty program can still be profitable (Wansink, 2003). In a study examining loyalty program effectiveness, Wansink (2003) found that determining the ideal number of interactions required before receiving a reward led to a cost-effective loyalty program. Thus, while loyalty programs may have high startup and maintenance costs, in the long run there are strategies such as understanding CLV and using a low reward system, to have a profitable loyalty program. Since many organizations see customers as their greatest assets, a loyalty program is seen as a strategic marketing component for attracting and retaining valued customers (Lacey, 2015). As organizations have continued to adopt a loyalty program as a relationship marketing approach, criticism of and support for the use of loyalty program have been identified.

Drawbacks of Loyalty Programs

For the last few decades there have been questions about the overall effectiveness of loyalty programs and if loyalty programs do what they are intended to do (Dowling & Uncles, 1997). In a conceptual paper, Dowling and Uncles (1997) question if customer loyalty programs really work. The researchers highlight that in practice, competitive considerations are a major reason many organizations launch a loyalty program. More so, it was emphasized that for the majority of organizations all a loyalty program will do is cost the organization money to provide benefits to the customer without getting anything in return (Berman, 2006). When an organization decides to offer a loyalty program to their customers, operating costs increase as a

result of having to oversee the program. Previous research has been discussed that the operating costs were not worth the competitive edge companies were trying to achieve by using loyalty programs as they are similar to any other short-term promotional program (Dorotic et al., 2012).

Dowling and Uncles (1997) stated that purchases made based on promotional incentives alone, foster loyalty to the program rather than the brand, and can be considered habitual purchases. When customers make purchases strictly to receive rewards, this type of loyalty can be considered incentives-based. Due to this incentives-based loyalty, previous research has claimed that loyalty programs do not work (McCall & Voorhees, 2010). Additionally, it has been deemed unlikely that loyalty programs have the ability to alter customer's behavior within a competitive market (Meyer-Waarden, Benavent, & Castéran, 2013). This lack of effectiveness may be a result of companies using loyalty programs as a defensive tactic and only treating rewards as short-term promotional giveaways (Xie & Chen, 2013). While there have been several questions regarding the effectiveness of loyalty programs, there has also been evidence of the benefits of using loyalty programs (Kreis & Mafael, 2014).

Benefits of Loyalty Programs

The main benefits of using a loyalty program under a relationship marketing framework can be divided into three categories: economic, resource, and social. The benefits discussed below all fit under relationship marketing and are enhanced by the use of a loyalty program. The more organizations achieve the economic, resource, and social benefits, the more successful the organization will be in developing and retaining long-lasting relationships with customers.

Economic benefits. Economic benefits can be classified as transactional exchanges or hard benefits as they increase re-patronage. For customers, economic benefits come in the forms of gifts, gift cards, rebates, discounts, and merchandise or concessions waivers. All these

economic strategies are designed to change customer behavior specifically increasing the number of purchases (Lacey, 2015). It has been found that customers are more responsive to rewards and discounts offered through a loyalty program than other traditional forms of discounts (Zhang & Breugelmans, 2012). The belief is that loyalty programs provide customers with added value by offering economic value to members beyond the organizations typical offers.

Loyalty programs have been shown to have an impact on consumers' re-patronage decisions and share of wallet (Kang, Alejandro, & Groza, 2015). Loyalty programs have been shown to increase average purchase frequency by offering incentives to customers and thus loyalty program members are willing to make more purchases than non-members (Zhang & Breugelmans, 2012). An advantage of a company having a loyalty program means that customers spend more money at one business rather than spending money at multiple organizations. Having the ability to influence customer behavior and increase re-patronage, provides organizations the opportunity to increase brand loyalty and revenue.

When used properly, loyalty programs can increase brand loyalty by creating switching costs and increase profit as customers avoid competitor brands (Kim, Lee, Choi, Wu, & Johnson, 2013). Even though there are startup costs to get the loyalty program running and setting up a database to store all the data, in the long run by having high customer retention, the organization could potentially have the opportunity to save more. It has been found that when organizations increase their customer retention rate by 5%, there is up to a 75% increase in profitability (Hanks, 2007). Furthermore, loyalty program members tend to overlook or discount the negative aspects of a company (Bolton et al., 2000).

When a customer joins a loyalty program and establishes a relationship with an organization they become less sensitive to negative information and can serve as a positive

reinforcement to the negative aspects. Kopalle and Neslin (2003) studied frequent flier programs and found that loyalty programs enhance the value of an airline's product. Within the insurance industry, customers who joined a loyalty program were more likely to stay with the firm and extend more business to the firm (Verhoef, 2003). For online retailers, the reward loyalty program members received during one-time period influenced a larger purchase during a future time period (Lewis, 2004). When customers are making a decision about where to make purchases, a loyalty program can act as a deciding factor due to the economic benefits customers can receive.

Resource benefits. Two specific aspects of resource benefits include preferential treatment and confidence benefits. Preferential treatments encompass giving loyalty program members enhanced service beyond the standard level set for non-members (Lacey, 2015). Examples of preferential treatment include access to additional facilities, dedicated customer service representatives, access to special events, early check-in or late check-out, and upgrades to reservations. When customers receive preferential treatment from organizations, customer's emotional attachment and relationship is strengthened with the organization (Lacey, Suh, & Morgan, 2007). In addition to preferential treatment, customers receive confidence benefits from using a loyalty program. Customers may sign up for a loyalty program because they want to simplify their purchasing decisions (Sheth and Parvatiyar, 1995). Loyalty programs enhance customer confidence in their purchasing decisions as there is less risk of making a bad purchase when dealing with an organization that has an established relationship. This is because organizations through the loyalty program give reassurance to the customer that they have support (Lacey, 2015).

Social benefits. Loyalty programs are increasingly used to signal shared values between the organizations and customers. It is imperative for organizations to care about communities and the world and organizations must explicitly explain and show how they are making an impact. The more customers feel that the organizations initiatives match their own; the more customers are likely to identify and support that organization (Lichtenstein, Drumwright, & Braig, 2004). Through the use of the loyalty program, organizations can explain their corporate social responsibility initiatives including donations or volunteering in support of non-profits. Thus, the perceived shared values between the organization and the customer can be better understood and explored through the use of a loyalty program.

Summary

Loyalty programs over the last few decades have emerged as one of the most popular tools for enacting a relationship marketing approach (Lacey, 2015). By being able to provide mutual benefits for organizations and customers, both parties become satisfied with the relationship. As addressed earlier in this chapter, it is important to measure relationship quality and fan engagement between organizations and customers to determine if a relationship marketing approach is worth the investment made by the organization. The same is true for a loyalty program as loyalty programs are just one tool that captures a relationship marketing approach. With such high costs to run a loyalty program and a lack of concrete evidence on the effectiveness of a loyalty program, more empirical research is needed to examine if loyalty programs are worth the investment (McCall & Voorhees, 2012).

Loyalty Programs in the Sport Industry

During the early 1990s, sport fans were looking for something more beyond a winning team or star player (Howard, 1999). In response, sport organizations shifted their perspectives to

see fans as a key asset and understood that an investment into fans needed to be made (Tomlinson, Buttle, & Moores, 1995). Sport organizations started to understand that they needed to get to know their fans better and instill a sense of commitment to the organization. Thus, the use of loyalty programs started to grow as they provided organizations an avenue to engage fans and develop a relationship with their fans (Pritchard & Negro, 2001).

Sport organizations have an advantage over other industries as the rewards fans choose are tied to a sense of belonging and psychological value (Dorotic et al., 2012; Kim et al., 2013). However, even with this advantage in order to effectively build strong relationships, sport organizations need to understand how to effectively use loyalty programs to engage fans. One-way sport organizations can use a loyalty program is to assist in building their CRM database, which can then be used to customize personal communications to individualized fans. At the same time, loyalty programs enhance the experience and perceptions fans have towards an organization.

Mimouni-Chaabane and Volle (2009) found that that obtaining rewards generates a positive attitude towards the organization. Loyalty programs were found to enhance the likelihood of identifying with a team while also purchasing more of the sponsors' products (Pritchard & Negro, 2001). Moreover, loyalty programs are said to strengthen the relationship with the sports team and their fans and thus may be an important way in which to implement a relationship marketing approach. Using a loyalty program, organizations can reward fans various engagement activities including connecting on social media or attending a game.

Many sport organizations (e.g. NY Jets, Melbourne Storm) incentivize engaging on social media or playing fantasy sports by offering reward points for fans that connect these engagement activities to their loyalty program account. As such, the San Diego Padres rolled out a

relationship oriented ‘Compadres’ program where fans were provided incentives for attending games (Harrington, 2013). The ‘Compadres’ program has been credited for resurrecting the Padres finances (Stavros et al., 2008). Since the Padres, many sport organizations have developed loyalty programs both at the mainstream and niche sport levels.

For example, the New York Jets, an NFL team, created the Jets Rewards to reward season tickets holders. Fans are rewarded for attending games, watching games on TV, participating on social media, and other avenues of engagement (Lucivero, 2014). At the minor league level, the Los Angeles D-Fenders, an NBA development G-league team created the 6th Man Membership to reward fan loyalty. D-Fender fans earn points for engagement activities including attending games and events as well as referring new members to the program (Garcia, 2014). Points for both the Jets and D-Fenders can be exchanged for rewards including but not limited to autographs, trips on the field/court, seat upgrades, and merchandise.

The use of loyalty programs for sport organizations is not just limited to the United States. The Melbourne Storm, an Australian rugby team, developed the lightning rewards program to allow fans to collect points for their engagement with the team. Understanding that not all of their fans are able to attend the games, the Storm designed the loyalty program to allow for members (those who attend games) and fans (those who are not able to attend games) to collect points through different engagement channels. Members can collect points by attending games, making purchases in the stadium, and by having consecutive years of membership. Fans can collect points online by engaging with the Melbourne Storm social media pages. In exchange for the points earned, members and fans have the opportunity to receive a signed jersey, free home game tickets, upgrades to the Lightning Lounge to hang out with other fans, and even an ultimate experience with a player (Stensholt, 2015). The actions taken by these sport

organizations demonstrate how using a loyalty program can lead to strong relationships between the organizations and fans.

Summary

While the history of loyalty programs in sport may have started out as a fix to financial situations, the focus of using loyalty programs now are on increasing fan engagement and developing quality relationships. As there is a high cost of setting up and implementing a loyalty program, it is essential to understand if the loyalty program is performing in its' intended way. Sport organizations are employing fan engagement strategies through the use of loyalty programs by incentivizing a variety of engagement activities. Additionally, a loyalty program is a strategy for implementing a relationship marketing approach with the end goal of creating and improving lasting relationships. However, there is a lack of information on how the use of a loyalty programs actually impacts the factors of fan engagement and relationship quality. Furthermore, this study examines the use of a loyalty program at both the mainstream and niche sport level.

Mainstream Sport

Most of the loyalty reward programs discussed here were initiated by mainstream sports teams. In the United States, the big four sports of MLB, NBA, NHL, and NFL represent the mainstream sports. Globally, soccer is also considered a mainstream sport. The characteristics of mainstream sports typically include having “large fans bases, broad appeal, and widespread media attention” (Greenhalgh et al., 2011). Furthermore, mainstream sports typically have a governing body and are more commercialized (Honea, 2013), meaning there is a set organization with strict rules and guidelines to be followed. Even though mainstream sports have more media attention they also have larger fan bases, which can be harder to maintain. A relationship

marketing approach can be very useful for mainstream sports in building stronger relationships with their fans.

An advantage mainstream sport organizations' have by using relationship marketing is that many of their fans are already more devoted to a team than typical consumers are to other brands (Bee & Kahle, 2006). For instance, sport fans may be lifelong fans of a team because of family connections, and thus, sport organizations can build off the initial relationship to develop a lasting mutually beneficial relationship (Achen, 2016). Long-term relationships have been shown to increase profitability and the number of purchases while reducing costs (Kim et al., 2011b). Sport marketers can capitalize on these types of fans by cultivating long-term relationships through the use of loyalty programs.

Niche Sport

The US professional sport landscape offers a variety of sporting options that are niche, grassroots, or non-mainstream. Niche sports are defined as sports that do not classify as mainstream and do not appeal to the mass audience. More so, supporters and participants of niche sports are considered a sub-segment of sport fans (Miloch & Lambrecht, 2006). Compared to mainstream sports, niche sports receive considerably less media attention both at a national and local level and receive limited fan support (Schwarzenberger & Hyde, 2013). Examples of niche sports in the US include the women's basketball, lacrosse, soccer, mixed martial arts, bowling, fishing, curling, horse racing, extreme sports, cycling, and tennis (Miloch & Lambrecht, 2006). Niche sporting leagues include the WNBA, MLL, MMA, and MLS. Some attributes that have been identified about niche sport spectators are that the spectators are able to more closely relate to the professionals within the sport and that spectators view niche sports as an inexpensive alternative to mainstream sports (Greenhalgh et al., 2011).

Four distinctive categories of niche sports have been identified by Rosner and Shropshire (2004). The first category includes minor league sports that do not represent the top competition in a given sport. Examples include the NBA G-League or American Hockey League (AHL). A second category comprises emerging sports that do represent the top competition of each sport. Niche sports that fall under this category include the MLL or Professional Rugby Organization (PRO) as they are the top tier of the given sport but this has not shown financially. The third category represents indoor alternatives to traditional outdoors sports including the Arena Football League (AFL) or Premier Volleyball League (PVL). Lastly, the fourth category embodies gender specific leagues. This final category includes the WNBA and the National Women's Soccer League (NWSL). These four categories are not mutually exclusive but represent the diverse niche sport marketplace by highlighting the variety of sport options.

Niche versus Mainstream

Many differences between niche and mainstream sport organizations have been identified in previous literature. Miloch and Lambrecht (2006) studied sport consumer awareness of sponsorships at grassroots or niche sporting events. While the results did indicate a similarity between mainstream and niche sports in terms of sponsor signage location, the study also found differences. The results revealed that niche fans in the current study had slightly lower recall and recognition rates compared to comparable sponsorship awareness studies. The findings suggested that compared to mega-event sport consumers, spectators of niche sporting events did not have the same level of sponsorship awareness. One strategy niche and mainstream sport organizations may be able to use to promote sponsorships is a loyalty program. For example, Pritchard and Negro (2001) examined the use of a loyalty program on MLB fans and found that a loyalty program can positively affect the relationship a fan has with the team and team sponsors.

Understanding the need to determine differences between sport spectators of niche and mainstream sport fans, Greenhalgh et al. (2011) set out to identify the attributes that distinguish mainstream and niche sports. The findings indicated that the attribute of accessibility, how easy it was for fans to listen, watch, or find information about the sport team, was important for both mainstream and niche sports. While accessibility was important for both sport types, affordability and player similarity were only significant for niche sport teams. Niche sport spectators are able to attend events at much lower ticket prices than mainstream sports. However, as Greenhalgh et al. (2011) indicated there is still a need for niche sports to promote the value of their product as a low-cost option. Niche sport organizations must create and sustain their own publicity, market share, and fan base in order to survive (Greenhalgh et al., 2011). For niche sport organizations, relationship marketing may be an effective tool for introducing and building relationships with the team. Using a loyalty program through a relationship marketing framework may be effective for niche sport organizations to promote the value of attending a niche sporting but promoting game time events, niche sport product, and low cost.

Player similarity, another significant predictor of niche sport spectatorship, measured the extent to which fans felt that the athletes of a specific sport were similar to themselves or other fans (Greenhalgh et al., 2011). The researchers found that participants in the study felt they could relate more to niche sport athletes than the celebrated mainstream athletes. Niche sport organizations provide their spectators with opportunities to interact or mingle with athletes after the game. When sport organizations are looking to build relationships, the availability of getting to personally meet and know athletes, may have an impact on the level of relationship quality. Niche sport organizations are often dealing with an industry segment that has little direction and lack of support. Part of the lack of direction niche sport organizations have is finding an ideal fan

base to support the team (Greenhalgh et al., 2011). Through the use of a loyalty program, niche sport organizations would have the necessary tools such as a database to promote, develop, and sustain these relationships to create a lasting environment. For example, if the NWSL was looking to expand their relationships, having a loyalty program where the teams could promote their events where fans could engage with players, may help niche sport organizations create a lasting fan base based on relatability with the athletes.

On the other hand, player skill and popularity were significant attributes for the NFL, a mainstream sport. Results of the study by Greenhalgh et al. (2011) indicated that mainstream fans tended to watch sports to watch the top athletes in the sport. Since athletes at the mainstream sport level are often considered the best or most talented athletes, it is not surprising that fans choose to watch mainstream sports because of the athletes' talent. For niche sports, player skill may not have been significant because athletes are not always the best of the best. Rather niche sport organizations may be more successful focusing on other attributes beyond player skill. Lastly, the findings by Greenhalgh et al. (2011) revealed that popularity, degree to which individuals are attracted to a sport organization based on the way other individuals feel about the sport organization, was a significant attribute for mainstream sports such as the NFL. The researchers highlighted that the NFL was the most popular watched sport, which may have led to fans talking and watching the sport more often.

Mainstream sport organizations, which typically have large operations budgets (Greenhalgh et al., 2011), may have an easier time implementing a loyalty program to support the loyalty program allowing for a deeper relationship with fans. Thus, even though mainstream sports are more popular than niche sports, the use of a loyalty program may be helpful for increasing fan engagement and strengthening the relationship quality. As well, the loyalty

program may be helpful in continuing to highlight the skills and talent of the mainstream athletes.

Following Greenhalgh et al. (2011), Dwyer et al. (2016) examined if niche sports attracted fans who desired to be unique. In addition, the researchers examined how niche and mainstream sport fans differed on how the fans communicated their fandom and interacted with other fans. The results of the study revealed that niche sports were identified as being more unique in terms of their distinctiveness than mainstream sports. Additionally, the results indicated that there was a significant difference in the how the fans publicized their support of a team through merchandise. Specifically, it was found that niche sport fans advertised their affiliation with the sport more than mainstream sport fans (Dwyer et al., 2016). The use of a loyalty program may be effective for helping out niche sport organizations create a strong fandom to create sustainability for the team. The Los Angeles Sparks a WNBA team initiated a loyalty program for their fans in 2006 to reward loyal fans. However, the Sparks now use the loyalty program to reward fans for promoting friend referrals, information sharing, and support of the team. These aforementioned activities have been shown to create deeper connections with fans (Pritchard, 2014). As niche sports do not garner as much media attention as mainstream sports, it appears that niche sport fans may feel the need to show their support for niche sports more often. Since niche sports have been found to be unique and different from mainstream sports on many attributes, it is important to evaluate relationship quality and fan engagement for both types of fans.

Conceptual Model

Drawing from the frameworks of Shani and Chalasani (1992) and Shani (1997), a proposed conceptual model will examine the impact a loyalty program has on relationship

quality and fan engagement for sport fans. The proposed model was designed keeping in mind that all sport organizations can benefit from relationship marketing (Stavros et al., 2008). The proposed model has three levels starting with segmentation, moving towards loyalty programs, and ending with relationship marketing, which is broken down into fan engagement and relationship quality. All three levels are connected to a central database of sport fans. Additionally, relationship marketing could be impacted based on the sport level either mainstream or niche. The proposed conceptual model is presented in Figure 2-3.

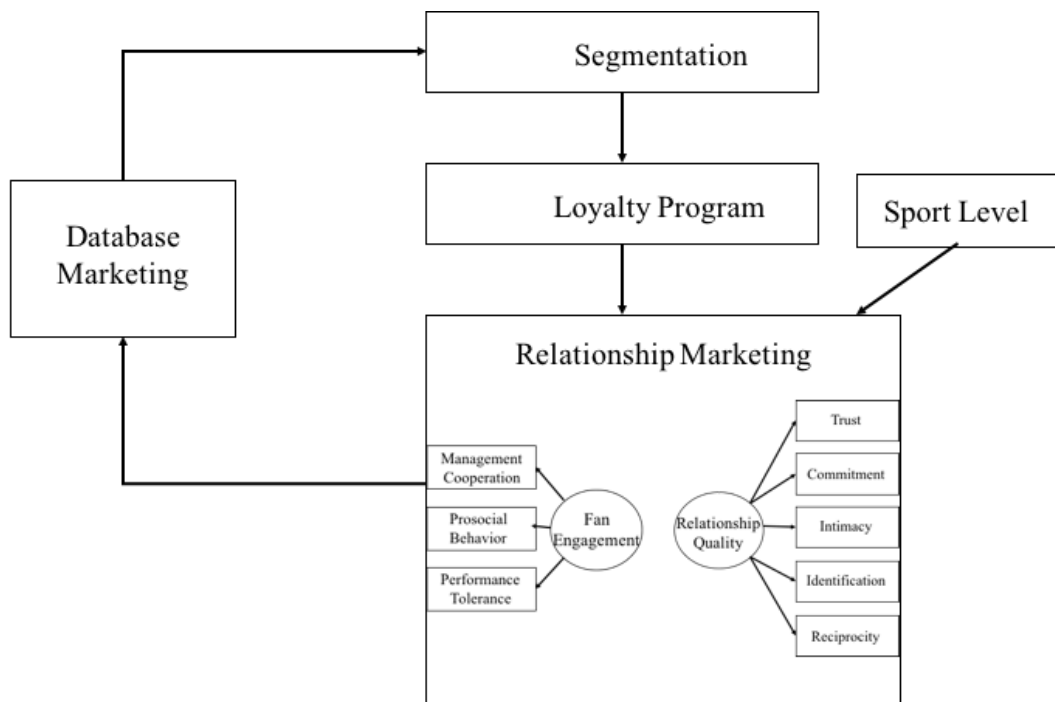


Figure 2-3. Proposed model for measuring relationship marketing through a loyalty program in sport.

With increased competition for where customers can spend discretionary income, it is critical that sport marketers are staying informed on what their fans want (Kim & Trail, 2011). Because every fan is unique and has different wants from the organization, there is not a universal solution that will satisfy everyone. Thus, segmentation deals with the sport organization narrowing marketing efforts on a smaller group of fans. Segmentation is the first

step in the conceptual model as segmenting the market can improve the efficiency of the marketing efforts (Shani, 1997). While organizations can use a variety of strategies in determining which group of consumers to target with the loyalty program, recommended strategies include tiered-rewards or CLV to find specific consumers (Wansink, 2003). In this current study, segmentation is not being directly measured.

Different than the previous relationship marketing frameworks, this proposed model uses the specific relationship marketing tool of a loyalty program. A database system is used to efficiently deliver messages as well as improve identifying profitable segments (Stavros et al., 2008). Besides the conceptual article and scale development of relationship quality (Kim et al., 2011b; Williams & Chinn, 2010), the primary studies that look at using relationship marketing in a sport context examine the framework through a social media lens (e.g., Achen, 2016; Hambrick & Kang, 2015). However, given that sport organizations are employing loyalty programs to stay connected to fans, this study will investigate the use of a loyalty program to build relationships and engagement.

The third level, relationship marketing entails creating social and emotional bonds between the sport organizations and sport fans. This includes creating personalized and customized relationships with each individual fan (Shani, 1997). In addition to creating and maintaining relationships between the organization and the fans, a loyalty program provides organizations the ability to create customized marketing promotions and offerings for individual fans. For instance, organizations can learn about a fans favorite player and provide opportunities to either meet the player or get an autograph from the player. Since there is currently no construct to directly conceptualize relationship marketing, the multi-dimensional constructs of relationship quality and fan engagement will be used.

The factors of relationship quality include trust, commitment, reciprocity, identification and intimacy. Numerous relationship marketing studies have shown that trust, commitment, and reciprocity are indicators of a strong relationship (Magnusen et al., 2012; Morgan & Hunt, 1994). In addition, the fan engagement components of management cooperation, prosocial behavior, and performance tolerance have been shown to influence relational behavior (Yoshida et al., 2014). Since a loyalty program is a form of engagement and encourages the development of a relationship, it is important to see if the use of the loyalty program influences fan engagement and relationship quality.

Another piece of the model is the different sport levels. The two levels in this study include mainstream and niche sport. Since mainstream and niche sport fans have been found to be different (Miloch & Lambrecht, 2006; Greenhalgh et al., 2011; Dwyer et al., 2016), it is important to examine differences between the fans of each sport level with regards to relationship quality and fan engagement. Lastly, the final piece of the conceptual model is the central database system to collect all of the information. Without a central database system, relationship marketing would be difficult as it is necessary to have personal information in order to personalize interactions (Shani, 1997).

Given the importance of the fan engagement and relationship quality between organizations and fans, the following research questions were developed to guide this study:

1. To what extent are there differences in relationship quality between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program?

2. To what extent are there differences in fan engagement between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program?
3. To what extent are there differences between mainstream and niche sport fans that have access to a loyalty program as it relates to relationship quality?
4. To what extent are there differences between mainstream and niche sport fans that have access to a loyalty program as it relates to fan engagement?

Conclusion

The goal of relationship marketing is to create relationships with fans that are highly engaged with the team, which hopefully results in an increase in behaviors. The use of a loyalty program has been shown to increase customer engagement and establish long-term relationships in many industries. Fans engage with sport organizations through the use of a loyalty program by not only joining the program but also by encouraging engagement in other areas by providing incentives. The use of a loyalty program can enable sport fans to engage with the organization by following the team on social media, attending games, and purchasing merchandise. A loyalty program can serve as a connection tool between sport organizations and sport fans as the loyalty program provides benefits to both parties. This study looks to continue developing relationship marketing in sport literature by examining how loyalty programs can impact fan engagement and relationship quality for both niche and mainstream sport fans.

Chapter III

METHODOLOGY

The purpose of this study was to explore the potential efficacy of loyalty programs on fan engagement and relationship quality between sport fans and sport organizations. This purpose was fulfilled through the use of a quantitative instrument that measured fan engagement and relationship quality. Mainstream and niche sport organizations have both started using the relationship marketing approach of a loyalty program; however, the examination of using loyalty programs for mainstream and niche sport organizations had yet to be explored. More so, distinct differences have been identified between the mainstream and niche sport levels. Therefore, this study first explored the differences between fan engagement and relationship quality of mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program. Additionally, this study explored the differences between fan engagement and relationship quality of mainstream and niche sport fans that both have access to a loyalty program in order to better understand if sport organizations may want to consider implementing or using a loyalty program for their fans.

This methodology section is split into five main sections: 1) design and procedures, 2) loyalty program landscape, 3) research participants, 4) instrumentation, 5) statistical techniques and data analysis, and 6) pilot test. The sample section includes information on the target population, sample design, and sample size. Next, the instrumentation section outlines each of

the measures and constructs used to explain the variables of interest. In this section, a description of the past validity and reliability scores of each selected measure is covered. The third section covers the design and procedures portion and describes the process for data collection. The statistical techniques and data analysis sections include the description of the statistical analyses that were used to answer the research questions. Finally, the results of the pilot test are highlighted and modifications made to the final instrument are discussed.

Design and Procedures

Research Design

This study used a correlational, non-experimental, quantitative, survey-based design. To limit participants' interpretability of the questions, the study design included close-ended questions examining relationship quality and fan engagement of mainstream and niche sport fans that either have access to or do not have access to a loyalty program. Correlational studies are "quantitative, multi-subject designs in which participants have not been randomly assigned to treatment conditions" (Thompson, Diamond, McWilliam, Snyder, & Snyder, 2005). An advantage of a correlational research design is the ability to measure the degree of the relationship between the variables (Gay, Mills, & Airasian, 2011). Judgment sampling as described by Tongco (2007), is a non-probability sampling technique that is used to ensure that sufficient data were collected. Given the purpose of this study was to compare sport fans that have access to a loyalty program to sport fans that do not have access to a loyalty program, it was important to include sport fans that have access to a loyalty program as well as sport fans that do not have access to a loyalty program. Additionally, it was important to include sport fans from niche organizations and mainstream organizations to explore loyalty program usage among sport levels.

There are also a number of reasons why a quantitative design was appropriate for this study. First, Creswell (2002) stated that quantitative research uses statistical techniques to objectively test theories by examining the relationships among the variables. Secondly, survey research can reach a large sample quickly and efficiently allowing the researcher to gather data about behaviors, attitudes, and opinions (Dillman et al., 2009a; Rea & Parker, 2012). Using surveys are an effective way to collect quantitative data about a sample that can be used to make generalizable inferences about the target population (Rea & Parker, 2012). For this study, an internet-based survey was used to collect the data. Internet-based surveys are beneficial because of their ability to be interactive, personal, flexible, and collect real-time data (Zikmund & Babin, 2010). This leads to the third benefit of using quantitative research: data collection can be quick and useful for studying a large group of individuals. Lastly, the research results are relatively independent of the researcher meaning the elimination of coding and data entry errors (Johnson & Onwuegbuzie, 2004).

Procedure

Prior to data collection, approval was obtained from Virginia Commonwealth University's institutional review board (IRB), as well as from the select niche and mainstream organizations from which individuals were invited to participate in this study. With regards to a Qualtrics panel, all fans had given prior approval to Qualtrics to be contacted for future studies for which they qualified. A script to participants was drafted informing fans of the nature of the data collection and with whom the data collected would be shared (See Appendix D). The niche sport organization that offers a loyalty program and the mainstream sport organization that does not offer a loyalty program sent out the script and a link to the survey to their respective fans via e-mail. The Qualtrics representative sent out an invitation that included a direct link to the survey

to qualified participants. The data collection for the niche sport fans that have access to a loyalty program took place over a period of two weeks during May 2017. The mainstream sport fans that do not have access to a loyalty program had a data collection period of 5 weeks between July 2017 and August 2017. The third data collection for mainstream sport fans that have access to a loyalty program took place for two and a half weeks during December 2017 and January 2018.

The first page of the survey was an informed consent form in order to ensure participants were fans of a sport team as well as over the age of 18. Following Dillman, Smyth, and Christian's (2009b) recommendation, the informed consent form provided participants with the purpose of the study, anticipated time needed to complete survey, voluntary nature of survey, statement of confidentiality, researcher contact information, and a description of the raffle gifts. Each participant was required to select yes or no, signifying they had read and understood the information presented on the consent form in addition to agreeing they were over the age of 18 prior to starting the survey. If the individual chose no, they were directed to the end of the survey and thanked for their time. A copy of the informed consent form can be found in Appendix F.

This study used web-based surveys administered by QuestionPro (QuestionPro.com) and Qualtrics (Qualtrics.com), online survey creators and data collection databases. As the use of online surveys has continued to grow, participants have been found to be more comfortable completing surveys online (Fleming & Bowden, 2009). Since the niche, mainstream, and Qualtrics organizations had access to the participants' email addresses, web-based methodology was deemed appropriate for this study. To help increase the response rate for this study, a follow-up reminder email was sent to the participants one week after the initial survey was sent. Follow-up emails have been shown to increase online survey response rates by 25% to 50% (Sheehan,

2001). The marketing directors and representatives were asked to send out a reminder email encouraging fans to participate in the study (See Appendix E).

To incentivize the participants of the mainstream sport organization that does not provide a loyalty program and the sport fans of the niche organization to complete the survey, participants had the chance to win a jersey of that professional sport team. At the end of the survey, each participant had the choice to enter their email address signaling their desire to be a part of the raffle for a jersey. The researcher randomly picked three participants from each sample to win jerseys and notified winners by email asking for an address to mail the jersey. For the participants that took the survey through the Qualtrics panel, they were paid by Qualtrics to complete the survey.

Loyalty Program Landscape

As this study was looking to explore loyalty programs within the sport industry, it was important to compare the specifics of the loyalty programs used by the participants prior to answering the research questions. The comparison of the loyalty programs was made across the different categories in which loyalty program members can earn points and spend points. By examining over 50 niche and mainstream sport team websites, a list of benefits and rewards was noted. Many of the rewards and benefits were found on the loyalty program information page or frequently asked questions webpage. From this list, four major categories of ways to earn points and three major categories of ways to spend points was developed. First, the four major categories used across many sport organizations in which their members can earn points include purchases, social media interaction, information gathering, and promotional codes. The purchasing category allows loyalty program members to earn point by purchasing tickets, merchandise, and food or beverage. Bonus points are often provided for fans that arrive early to

the venue on game day. Social media interaction allows members to earn points by first following or liking the teams' respective social media pages. Then at times members earn bonuses by retweeting or sharing certain social media posts. The third category of information gathering includes when fans read articles, watch videos on the website, review officially published images, and receiving the teams e-newsletters. The fourth category of promotional codes includes entering in the promo codes provided to fans when they watch games on the television, listen to games on the radio, or play a variety of games.

The three major categories for which the loyalty program members can spend points to receive rewards include merchandise, tickets, and VIP experiences. The merchandise category includes spending points on jerseys and other team related gear. Some of the gear or memorabilia can be signed by members of the current or past teams. In addition, teams will offer gift cards to the team store where participants can select their own merchandise. The merchandise is first come first serve, indicating that if other members of the loyalty program choose to receive the merchandise, it is not always replenished. The tickets category includes upgrades to fans current seats to either closer to the floor seats or seats in a suite. For example, members of the loyalty program have the option to choose to sit in the presidents' suite for a game or can select from lower level seats that may include court side seats. Similar to the merchandise category, a certain number of seat upgrades will be offered for each game, and once they are gone, members would have to wait for another game to upgrade their seats. Lastly, the VIP experiences category includes having a meal with the general manager or owner, members and their guests can be honored on the jumbotron, opportunity to be a member of the press for a game, and the opportunity to meet the mascot and take a photo. The VIP experiences can be different for each team and change depending on the season or sport. Thus, in general the VIP experiences offered

are activities that allow loyalty program members to have a behind the scenes look or a chance to be treated like the most important guest at the game.

Using the four categories of ways to earn points and the three categories of ways to spend points, a two-group classification system was developed to separate the loyalty programs. Using only two groups for the classification systems allows for an easy distinction between the components of a loyalty program. The first type of classification could possibly be simple loyalty programs. The simple classification entails all loyalty programs that only offer one way of either earning points or spending points. For instance, if the sport organization allows fans to earn points only by their purchases or can only redeem rewards that are pieces of merchandise. On the other hand, a complex classification for loyalty programs include all programs that offer more than one way to either earn points or spend points. For more information on Niche loyalty program refer to Table 3.1 and for information on mainstream loyalty program see Appendix I.

Niche and mainstream sport fans that have access to a loyalty program were examined across these classifications to compare use among professional sport organizations. The niche loyalty program participants in this sample had access to a simple loyalty program based on the limited ways the sport organization offered participants to earn points. On the other hand, the mainstream loyalty program participants were split in that some participants had access to a simple loyalty program while other participants had access to a complex loyalty program. Due to the differences in niche and mainstream sports as well as simple and complex loyalty programs, it was necessary to compare the niche simple loyalty program to both the mainstream simple and complex loyalty program participants. The results help provide a clearer understanding not only on if a loyalty program may help develop stronger relationships but potentially if the type of loyalty program plays a part in this development.

Table 3.1

Exploration of Niche Sport Leagues' Loyalty Programs.

| Teams | Rewards Structure | Classification |
|---|---|----------------|
| MLL TEAMS (n = 9) | | |
| Dallas Rattlers | Open to STH only Ways to EARN: Referral of friends to become STH REWARDS Offered: VIP experiences, merchandise, ticket upgrades | Simple |
| Boston Cannons | Open to STH only Ways to EARN: Referral of friends to become STH REWARDS Offered: VIP experiences, merchandise, ticket upgrades | Simple |
| AFL TEAMS (n = 4) | Do not offer any loyalty programs | |
| Professional Bull Riding (n = 1) | Open to all fans- yearly subscribers get additional benefits Ways to EARN: Purchases REWARDS Offered: VIP experiences, merchandise, ticket upgrades | Simple |
| NWSL TEAMS (n = 9) | | |
| Washington Spirit | Open to all Fans Ways to EARN: Information Gathering REWARDS Offered: merchandise, ticket upgrades | Simple |
| Portland Thorns, Houston Dash | Open to STH holders only Combined with the MLS partner teams to offer a program Ways to Earn: Purchases, Social Media Interaction, Information Gathering Rewards Offered: VIP experiences, merchandise | Complex |
| Orlando Pride | Open to all Fans Combined with the MLS partner team to offer a program Ways to Earn: Purchases Rewards Offered: VIP experiences, merchandise | Complex |
| MiLB AAA (n = 30) | Many promotions just not loyalty programs | |
| AHL TEAMS (n = 30) | | |
| Lehigh Valley Phantom: | Open to all fans Ways to EARN: Purchases, Social Media interactions REWARDS Offered: VIP experiences, merchandise | Complex |
| Orlando Solar Bears: | Open to all fans Ways to EARN: STH Bonus, Information gathering, Social Media interactions, Purchases REWARDS Offered: Merchandise | Simple |
| Charlotte Checkers: | Open to all fans Ways to EARN: Purchases REWARDS Offered: merchandise, tickets, VIP experiences | Simple |
| G-League (n = 26) | Do not offer loyalty programs | |

Research Participants

Sample

The sample population is an exhaustive list from which inferences are made; however, it is unlikely that each individual within the sample population will be surveyed. Creswell (2002) highlights that a sampling frame is a list of individuals from the population that is obtainable. Furthermore, a sampling frame, as defined by Dillman et al. (2009b), is a “list from which a sample is to be drawn in order to represent the survey population” (p.196). The sampling frame for this study included sport fans of specific mainstream and niche sport organizations that were over the age of 18 and had provided the organizations their email addresses. Nonprobability sampling was utilized through judgment sampling. Judgment sampling is commonly used in cases where judgments are made by the researcher when it comes to selecting the sample. The sample is typically selected based on the characteristics of the population and the objectives of the study (Teddlie & Tashakkori, 2009). In order to meet the purpose of this study, three separate samples were collected.

To answer the first two research questions, both mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program were needed. Participants for the mainstream sport fans that do not have access to a loyalty program were recruited directly from an NBA organization. The NBA is considered a mainstream sport with a large fan base and a lot of media attention. The NBA presently has 30 teams that average just over 17,800 fans per game (Zillgitt, 2016). The NBA organization used in this study had previously collected fan email addresses through season ticket holder accounts, ticket or merchandise purchases, and when fans signed up for email newsletters. Working with a director of marketing, the researcher was able to gain access to this NBA organization’s sport fans. Since

this NBA team does not have a loyalty program, all fans whose email address were in the database were invited to participate.

In order to reach mainstream sport fans that have access to a loyalty program, the second sample of participants were purchased from Qualtrics. Qualtrics has an internal panel that has a list of individuals who are willing to take surveys in exchange for being paid. Once a survey has been created in Qualtrics, a research specialist notifies individuals that meet the requirements for a survey and invites them to participate. For this study, the researcher worked with a research specialist at Qualtrics to connect participants over the age of 18 and a fan of at least one mainstream professional sport organization.

Once Qualtrics pinpointed this list of individuals that the survey was sent out to, participants were immediately asked if they were a member of at least one sport loyalty program with a mainstream professional sport organization. Participants were first given the definition of a loyalty program based on this study's definition and then asked if they use a loyalty program. To ensure that the fans were members of an actual loyalty program with a mainstream sport organization, participants were required to indicate the organization from which they had the loyalty program (Teitcher et al., 2015). Based on the participant's response, fans were either directed to the rest of the survey if that organization was found to have a loyalty program or the thank you page if the organization does not have a loyalty program. This allowed for protection against participants indicating they used a loyalty program when in reality they were members of a membership program as a result of being a season ticket holder for that organization.

To answer the third and fourth research questions, niche and mainstream sport fans that have access to a loyalty program were needed. The Qualtrics panel participants once again represented the mainstream sport fans that have access to a loyalty program. However, since

loyalty programs are not all classified in the same manner, it was necessary to split the mainstream sport fans that have access to a loyalty program into two groups. The two groups, simple and complex, represent the manner in which the sport organizations offer the loyalty programs.

Niche sport fans that have access to a loyalty program were recruited directly from a WNBA organization. The WNBA is a form of a niche sport as they are the female version of the NBA and receive significantly less media attention and have limited fan support. The WNBA has 12 teams that represent the gender specific type of niche sport. Currently, the WNBA averages just over 7,300 fans per game with many fans attending with their children or family (Armstrong, 1999; Sandomir, 2016). The WNBA organization used in this study offered a loyalty program only to their season ticket holders. As a season ticket holder, the individuals are automatically enrolled in the loyalty program. The loyalty program would be classified as a simple loyalty program as participants accrue points based on ticket purchases and attendance at games. Once the season ticket holders have points in their account, they can start to work towards VIP experiences, merchandise, or free and upgraded tickets. The WNBA organization used in this study has access to the email addresses of all season ticket holders as an email address is a requirement to purchase a season ticket membership. Since participants from this sample were required to be members of the loyalty program, the researcher asked the marketing director to invite all participants that were season ticket holders to participate in this study.

Within the WNBA, only a select handful of teams offer a loyalty program and all teams only offer the loyalty program to their season ticket holders. The WNBA loyalty programs in existence are classified as simple loyalty programs that offer season ticket holders the opportunity to earn the benefits of VIP experiences, ticket upgrades, and exclusive merchandise

in exchange for the points they have earned through purchasing and attending games. Since the WNBA is only one example of a niche sport league, an examination took place on a variety of niche teams from the AFL, MLL, American Hockey League (AHL), Professional Bull Riding (PBR), NWSL, and the MiLB.

The examination showed that many niche teams do not currently offer a loyalty program. Specifically, there are a lack of loyalty programs being offered from teams in the AFL, MiLB, MLL, and NBA G-League. On the other hand, within the NWSL, four teams offer a loyalty program to their fans. However, three of these loyalty programs are tied to the MLS teams in the same city. With these three loyalty programs for NWSL teams, in order to be a member of the program you must be a season ticket holder. This is consistent with the loyalty programs offered in the WNBA. For the AHL, a couple of their teams offer loyalty programs to their fans through the team mobile application. For these loyalty programs fans must download the mobile app and are given the chance to earn points through purchasing tickets and entering in promotional codes. In exchange for earning the points, fans can redeem merchandise, ticket upgrades, and VIP experiences. Lastly, when looking at the PBR, a loyalty program is offered to fans where they can earn points for purchases and attending events. The rewards the PBR offers their fans include VIP experiences, merchandise, and ticket upgrades. For PBR fans that purchase a yearly subscription similar to a season ticket holder, they receive additional benefits.

Even though all of the loyalty programs are not identical, there are many similarities between the loyalty programs offered by the niche sport organizations. When comparing the WNBA loyalty program to other niche loyalty programs, it is apparent that many of the niche loyalty programs only offer their programs to season ticket holders. Even teams or niche sports that do not only offer the program to season ticket holders, they offer additional benefits to their

season ticket members, such as preloaded points given for tenure as a season ticket account. Many of the loyalty programs across niche sports are designed the same way in that earning points primarily comes from the purchase of tickets and attending of home games. More so, the complex loyalty program for niche sport organizations appear to be either tied to a more mainstream sport organization or the league has been around for much longer than many other niche sport leagues. Thus, in general niche sport loyalty programs are classified as simple loyalty programs based on simplistic way of earning points through ticket purchases and attending games. Since the evaluation of loyalty programs for niche sport organizations highlight that the loyalty programs in general are classified as simple loyalty programs which are comparable to the WNBA organizations simple loyalty programs, using a WNBA organization to represent niche sport organizations is a viable strategy.

Since these three separate samples came from fans of different teams and sport levels, it was important to set a baseline equivalence. A baseline equivalence is used when comparing two groups and a test is used to ensure the characteristics of the groups are similar enough on a specific variable (What Works Clearinghouse, 2014). It is important to test for this similarity between the groups to ensure that differences between the groups are as a result of the use of the loyalty programs and not because the groups are fundamentally different. The first baseline equivalence test was used to test differences between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program. As well, a baseline equivalence test was run between mainstream and niche sport fans that have access to a loyalty program.

Sample Size

Having an appropriate sample size is an important consideration for researchers as insufficient sample size can lead to invalid inferences (Huck, Cormier, & Bounds, 2011). The sample size for this study was determined based on the statistical analysis of confirmatory factor analysis (CFA) as it requires sufficient sample size to make generalizable conclusions. A CFA is a statistical technique where the number of observed variables can be reduced into a smaller number of latent variables by examining the covariation among the observed variables (Schreiber, Nora, Stage, Barlow, & King, 2006). When using a CFA, a critical question concerns the minimal sample size required for the analysis as too low an estimate can lead to a higher chance of an overestimated model fit and lower reliability. Ratio-type recommendations for minimum sample sizes for a CFA are based on the number of parameters in the entire measurement model. Parameters include pattern coefficients, error variances and covariances, and factor variances and covariances. Bentler and Chou (1987) found that it is acceptable to have a sample size to parameter estimate of 5:1. Sample size requirements may differ based on missing data and non-normal distributions, however, Kline (2015) found that a general sample size to aim for is 200. Thus, for this study the largest number of parameters estimated in the CFA model was 32 indicating the minimum sample size needed using Bentler and Chou's (1987) method was 160 participants from each respective sport team while the ideal number using Kline (2015) recommendation was 200 participants.

Another consideration to determine sample size is through response rate. Response rates for online surveys have consistently been shown to be lower than other data techniques (Richardson, 2005). Previous research has shown that web-based surveys typically have 15% to 73% response rates (Birnholtz, Horn, Finholt, & Bae, 2004), with some studies showing an

average of 33% (Nulty, 2008). Furthermore, response rates of web-based surveys are around 11% lower than other survey methods such as collecting data in person (Manfreda et al., 2008). For the WNBA team who has an email database of 2,000 fans, a response rate of 10% left a desired sample size of 200 participants. For the NBA team who has an online database of 5,000 fans, a response rate of 10% left a desired sample size of 500. Lastly, for the Qualtrics panel which saw over 2,500 individuals open the survey, a 10% response rate leaves a sample size of 250 participants. Thus, looking at the analysis and desired sample sizes indicated that the preferred sample size for this study was at least 200 participants from each of the respective samples, however the minimum number needed was 160 to run the analyses.

Instrumentation

The web-based survey for this study included five sections, with a total of 55 items: one item measured being a fan of a sports team, one item measured being a season ticket holder of a sports team, 15 items measured relationship quality, nine items measured fan engagement, five items measured loyalty program usage, nine items measured sports involvement, seven items measured niche versus mainstream, one item measured attendance, and seven items measured demographics. All scales were slightly modified from previous studies in sport consumer behavior literature. As mentioned above, the informed consent form (see Appendix F) was embedded into the first page of the survey, requiring participants to select a button signifying they have read through and understand the informed consent and were over the age of 18 before starting the survey. A copy of the complete survey can be found in Appendix G.

Relationship Quality

Even though the importance of building a relationship between sport fans and sport teams had been emphasized in the literature (Gladden & Funk, 2002), there was a lack of research on

what constituted a good or bad relationship and the effectiveness of how relationship marketing can be evaluated. To address these limitations, Kim and Trail (2011) developed a relationship quality in sport conceptual model with the goal of achieving a better understanding of relationship marketing. The conceptual model introduced the relational constructs that represent the quality of the relationship between sport fans and sport organizations. The constructs that represent relationship quality in sport are trust, commitment, identification, reciprocity, and intimacy.

Kim et al. (2011b) empirically tested the conceptual model introduced by Kim and Trail (2011) naming it the sport consumer-team relationship quality scale (SCTRQS). The scale has previously been tested in a variety of sport settings including college football, baseball, basketball and through social media. In a college baseball setting, Kim et al. (2011b) deemed the constructs to have good psychometric properties with reliability coefficient values ranging from .83 to .95, and Average Variance Extracted (AVE) values ranging from .62 to .86. In a college football setting, Kim et al. (2011a) found the SCTRQS had good psychometric properties with reliability coefficients ranging from .83 to .95 and AVE scores of .62 to .85. Examining NBA fans in a social media setting, Achen (2016) found the SCTRQS items to have reliability scores ranging from .88 to .93 with an overall relationship quality reliability score of .93, as well AVE values ranged from .71 to .81 for the individual items and .74 for relationship quality overall.

The scale was modified for this study by placing the respective team name into the question. For example, in the statement, “I trust the [team name],” team name was replaced with either the WNBA team or one of the mainstream sport teams. Each of the items were measured on a Likert-type scale ranging from 1 (strongly disagree) to 7 (strongly agree). In order to develop and implement relationship marketing approaches, “it is essential to understand the

quality of the relationships between sport consumers and sport organizations” (Kim & Trail, 2011, p. 65).

Fan Engagement

Yoshida et al. (2014) conceptualized and developed a valid fan engagement scale in the sport context. The researchers felt there was limited attention on the conceptualization and measurement of fan engagement. According to Yoshida et al. (2014), there was a growing body of literature on the defining characteristics of customer engagement in sport but lacked an established scale for measuring fan engagement. Thus, the researchers developed a non-transactional fan engagement scale with the constructs of management cooperation, prosocial behavior, and performance tolerance. Since the study was originally tested in Japanese, the survey was back translated. Meaning, the scale originated in English then was converted to Japanese and finally converted back to English to verify the accuracy of the translations.

The resulting fan engagement scale had valid (AVE scores ranging from .73 to .95) and reliable (Cronbach’s alpha reliability estimates ranging from .76 to .99) scores from 428 Japanese professional soccer fans. Additionally, Yoshida et al. (2014) collected data from 427 spectators at a second Japanese professional soccer game. The fan engagement scale had good psychometric properties with Cronbach’s alpha estimates ranging from .70 to .99 and AVE scores ranging from .65 to .93. To modify this scale, the respective team names were added in the appropriate place for each individual question. For example, in the statement, “I try to work cooperatively with my team,” my team was replaced with the WNBA or mainstream sport team name. For the Qualtrics panel of participants, the participant initially selected the team with which they had access to the loyalty program, this team name was then automatically added to the questions in the appropriate location. Additionally, in statements such as, “I often advise

other fans on how to support [team name],” team name was replaced with the WNBA or mainstream sport team name. The items of fan engagement were measured using a Likert-type scale ranging from 1 (strongly disagree) to 7 (strongly agree) to examine if a loyalty program impacted sport fans’ levels of fan engagement with a sport team. Yoshida et al. (2014) highlight that it is important to start measuring and monitoring fan engagement for a target fan base “given the significant impact of fan engagement on sport consumer behavior” (p. 412).

Loyalty Program Usage

First, participants were asked if the respective sport organization offers a loyalty program. Then participants were asked if they use the sport organizations’ loyalty program. If participants responded that they do use the organizations loyalty program, they were asked a follow up question about how often they use the loyalty program. Specifically, the participants were asked about their frequency level of using the loyalty program throughout the year. For this question, the participants were asked to respond on a seven-point semantic type scale ranging from 1 (never) to 7 (every possible opportunity). The final two loyalty program questions dealt with asking participants if they are members of any other sport loyalty program and if yes, which team(s).

Psychographics

In an attempt to fully understand the characteristics of the participants, an additional psychographic question was included on the survey. Psychographics are the study of individuals’ personality, values, attitudes, or goals to understand patterns in consumer behavior (Sandy, Gosling, & Durant, 2013). Psychographic questions quantitatively capture details of individuals’ lifestyles, attitudes, values, and identities in order to capture a full view of a person (Demby, 1989). The psychographic information provides a better understanding of the different

participants allowing a comparison to be made between the fans of different teams. The psychographic factor for this study was sports involvement.

Sports Involvement. Involvement is a multifaceted psychographic construct consisting of individual's characteristics (needs, values, goals), situational values (perceived risks), and characteristics of the product (type of media) (Zaichkowsky, 1985). Beaton, Funk, Ridinger, and Jordan (2011) conceptualized and measured sports involvement. Sports involvement consists of three factors including symbolic value, centrality, and hedonic value. Each factor has three items measured on a Likert type scale ranging from 1 (strongly disagree) to 7 (strongly agree). Cronbach's alpha estimates ranged from .82 to .86 indicating good reliability (Beaton et al., 2011). As well, AVE values ranged from .55 to .67 indicating the model has good psychometric properties. While Beaton et al. (2011) used the sport involvement scale with sport participants, the scale items were modified to fit for sport spectators. As this study explored across multiple sports, the sports involvement variable was measured at a more generalized sport level (basketball, football, baseball, hockey) rather than an individual team level.

Season Ticket Holders

As the niche loyalty program participants were all season ticket holders it was important to compare the season ticket holders from all three groups prior to answering the research questions. The season ticket holders were compared on the dependent variables of relationship quality and fan engagement. First niche season ticket holders were compared to mainstream loyalty program participants that were season ticket holders. This helped establish a comparison on if season ticket holders across sport levels had similar relationship quality and fan engagement with the sport organizations. Next, mainstream loyalty program participants that were season ticket holders were compared to mainstream non-loyalty program participants that

were season ticket holders. This helped establish a baseline on if season ticket holders inherently had higher relationship quality and fan engagement prior to implementation of the loyalty program.

Demographics

Demographic variables were collected from participants to better describe the sample. Gender, age, marital status, ethnicity, annual income, education level, and household size were the demographic variables asked. Demographic questions included a variety of general choices for participants to select what best described them. The demographic variables in combination with the psychographic variable created a more complete image of the participants in this study.

Statistical Techniques and Data Analysis

In order to answer the research questions for this study, the following statistical techniques were conducted: analysis of descriptive statistics, Pearson r correlations, CFA measurement models, independent samples t -test, analyses of covariance (ANCOVA), and multivariate analyses of covariance (MANCOVA). The descriptive statistics, Pearson r correlations, t -test, ANCOVAs, and MANCOVAs were conducted using SPSS 25.0. MPlus7 was used to analyze the CFA measurement model.

Descriptive Statistics

In order to better understand and validate assumptions about the data, an analysis of descriptive statistics was first completed (Huck et al., 2011). The Shapiro-Wilks test is based on comparing the data with normal scores (Peat & Barton, 2014). Rose, Spinks, and Canhoto (2015) highlight that the Shapiro-Wilks test should not be used alone but rather in conjunction with a plot, and skewness and kurtosis values. If the Shapiro-Wilks is significant, there is indication that the data is not normal. Additionally, the skewness and kurtosis values were divided by their

standard error to determine z-scores. If the z-scores are greater than + or – 1.96, there is indication of non-normal data (Rose et al., 2015). However, with a large enough sample (e.g. > 40), the sampling distribution should not cause major problems as the ANCOVA is not very sensitive to deviations from normality (Glass, Peckham, & Sanders, 1972). Following normality testing of the data, means, standard deviations, and frequencies for all demographics and variables were calculated to better understand the data. Lastly, Pearson *r* correlations were run between the different factors on the different latent variables to examine their relationships.

Confirmatory Factor Analysis (CFA)

A CFA is a type of structural equation modeling that deals with the measurement model (Brown, 2006). Thus, it shows the relationships between observed variables (indicators) and latent variables (factors). A measurement model verifies the number of dimensions of factors and the pattern of factor loadings (Kline, 2015). In order to assess that the psychographic and dependent variables were sound models, CFA measurement models were analyzed. The CFA measurement models were run for the overall data across relationship quality, fan engagement, and sports involvement. While the Maximum Likelihood estimation is the most popular (Brown, 2015), for non-normal data other estimators including the mean-and-variance adjusted maximum likelihood (MLMV) estimator are used (Kline, 2015). Once the measurement model had been deemed adequate to good fit, composite reliability, average variance extracted (AVE), and discriminant validity were evaluated. Composite reliability does not assume that all indicators are equally reliable, making it a better estimate of reliability than Cronbach's alpha scores (Hair, Ringle, & Sarstedt, 2011). In addition, the AVE values were also examined to understand the amount of variance extracted relative to the variance attributed to measurement error (Fornell & Larcker, 1981).

Following the descriptive statistics, a series of CFA measurement models were analyzed for relationship quality, fan engagement, and sports involvement. The CFA measurement models fit were evaluated with the χ^2 test statistic, Root Mean Square Error Approximation (RMSEA), Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), and the Standardized Root Mean Square Residual (SRMR). For the χ^2 test statistic, a non-significant χ^2 is desired as it indicates that the model estimates sufficiently reproduce the sample variances and covariance's (Brown, 2006). The RMSEA and the SRMR should have the suggested values from .02 to .05 for very good fit and .06 to .08 for acceptable fit, and .09 to .1 for an adequate fit. Next, the CFI and TLI have recommended values between .95 to .99 for very good fit and .90 to .94 for acceptable fit, and .85 to .89 for an adequate fit (Little, 2013).

Psychographic Differences

In order to determine baseline equivalence between the various groups (mainstream vs. mainstream; mainstream vs. niche), a series of independent sample *t*-tests and effect sizes were used to compare sports involvement of sport fans. The more robust Welch-Satterthwaite statistic will be used as the test statistic does not require sample sizes or group variances to be equal (Ruxton, 2006). Sports involvement has been chosen to determine if the fans of mainstream sports and the niche sport fans are similar in their attitudes and motivations across particular sports. The only sport involvement subscale that was shown to be reliable and valid in this study was symbolic value. Thus, the baseline equivalence test was compared on the symbolic factor only. The *t*-tests compared the means of two groups across symbolic value and then compared the standardized mean difference also known as an effect size.

First, mainstream sport fans that have access to a loyalty program were compared to mainstream sport fans that do not have access to a loyalty program and second, mainstream sport

fans that have access to a loyalty program were compared to niche sport fans that have access to a loyalty program. Since mainstream sport fans that have access to the loyalty program were split into two groups, simple and complex, both groups were compared to niche sport fans. The effect size was calculated as the difference between the two groups, divided by the pooled standard deviation. If the effect size is .05 or less in absolute value, then it is believed that the groups are similar. The first comparison between the mainstream sport fans that have access to a loyalty program and the mainstream sport fans that do not have access to a loyalty program was found to have an effect size of .10. The effect size of the second two groups comprised of mainstream sport fans that use a simple loyalty program and niche sport fans that have access to a loyalty program was .15. The effect size for the third comparisons between mainstream sport fans that use a complex loyalty program and niche sport fans that have access to a loyalty program was .20. Since the results of the baseline equivalence tests were greater than .05 but less than .25, What Works Clearinghouse (2014) recommends a statistical adjustment. A statistical adjustment includes using an ANCOVA that includes the baseline measure in the statistical model. Thus, to answer the research questions, ANCOVA models were used that included sports involvement as a covariate (See Table 4.7).

ANCOVA

Since the baseline equivalence tests did not indicate similar psychographics, ANCOVAs were used to answer the research questions. An ANCOVA is used as a statistical method to readjust for preexisting group differences in non-randomized studies (Maxwell, O'Callaghan, & Delaney, 1993). Thus, the ANCOVAs were used to control for differences at the baseline level to allow for significant differences on the dependent variables due to the accessibility of loyalty programs. The dependent variables for the ANCOVA models were the overall relationship

quality and fan engagement factors. The demographic variables were combined with symbolic value for the ANCOVA models as Van Breukelen (2006) found that having more than one control group allows estimation of group trends in the absence of treatment. The demographic variables that were included in the models were gender, age, marital status, household size, ethnicity, education level, and income level. Gender, marital status, ethnicity, education level, and income level were all categorical and entered into the model as factors while age and household size were open-response and entered into the model as covariates. For a further breakdown of the demographic variables see Table 4.4. Since the demographics were not required for completion of the survey, there was missing data across the variables. As there was no pattern found for the missing data across the demographics, participants with missing data in this study were not included in the analyses. The reported means for the ANCOVA models were the adjusted means after controlling for the covariates.

MANCOVA

Following the ANCOVA models, multivariate analysis of covariance (MANCOVA) models were run to assess differences between the groups across the many factors of relationship quality and fan engagement. A MANCOVA is designed to detect differences across the groups based on multiple dependent variables. Using a MANCOVA is preferred over multiple ANCOVAs due to inflated Type 1 error which occurs when running multiple tests (Tabachnick & Fidell, 2007). Similar to the ANCOVA, The reported means for the MANCOVA models were the adjusted means after controlling for the covariates.

Assumptions

Since ANCOVA and MANCOVA models were run to answer the research questions, it was necessary to examine assumptions for the statistical analyses. The first three assumptions

that must be met include 1) independent observations, 2) normal distribution of the dependent variable for each group, and 3) homogeneity of variances, the two samples must have equal variances across groups. Independence of observations was met as fans were asked if they were members of any other loyalty program and respondents did not report overlapping groups. Normality of the data was assessed by evaluating Q-Q plots for the dependent variables across the different groups. Using the Levene's test, the homogeneity of variances was evaluated for the dependent variables across the different groups.

Additional assumptions that must be met for the ANCOVA and MANCOVA include 4) covariates are not highly correlated, 5) linear relationship between the covariates and the dependent variables, and 6) homogeneity of regression slopes (Field, 2009). The Pearson r correlation statistic for the covariates were evaluated to check for multicollinearity. To check for the linear relationship for each group between the covariates and the dependent variables, grouped scatterplots were used. Lastly, homogeneity of regression slopes assumes that the overall linear relationship between the covariate and dependent variable is the same direction for all participants regardless of group (Field, 2009). The ANCOVA and MANCOVA used the psychographic variable of symbolic value as well as demographic variables including age, income, marital status, education level, gender, ethnicity, and household size to control for baseline differences between the groups.

Research Question 1

The first research question examined if there were differences in relationship quality between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program. Since the baseline equivalence was not met, an ANCOVA was used to assess differences between the groups on the overall relationship quality

factor as the dependent variable. Followed by a MANCOVA to examine the factors of trust, commitment, reciprocity, identification, and intimacy as dependent variables. The F values calculated were used to determine if there were significant differences in relationship quality and the relationship quality factors across the mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program. Prior to running the analyses, the assumptions were checked. A significance level of .05 was used in this statistical test.

Research Question 2

The second research question examined if there were differences in fan engagement between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program. Since the baseline equivalence was not met, an ANCOVA was used to assess differences between the groups on the overall fan engagement construct as a dependent variable. After that, a MANCOVA was run with the fan engagement factors of management cooperation, prosocial behavior, and performance tolerance as the dependent variables. The F values calculated were used to determine if there were significant differences in fan engagement and the fan engagement factors across the mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program. Prior to running the analyses, the assumptions were checked. A significance level of .05 was used in this statistical test.

Research Question 3

The third research question examined if there were differences in relationship quality between mainstream and niche sport fans that have access to a loyalty program. Since the baseline equivalence was not met, an ANCOVA was used to assess differences between the

groups. The dependent variable for this question was the overall relationship quality factor. The three groups included in the model were mainstream simple loyalty programs, mainstream complex loyalty programs, and niche loyalty programs users that all had access to the program. The F values calculated were used to determine if there was a significant difference in overall relationship quality between mainstream and niche sport fans that have access to a loyalty program. Following the ANCOVA, a MANCOVA was run to assess differences between mainstream and niche sport fans that have access to a loyalty program on the factors of trust, commitment, reciprocity, identification, and intimacy. A significance level of .05 was used in these statistical tests and the assumptions were checked prior to running the statistical tests.

Research Question 4

The fourth research question examined if there were differences in fan engagement between mainstream and niche sport fans that have access to a loyalty program. Since the baseline equivalence was not met, an ANCOVA was used to assess differences between the groups on overall fan engagement as the dependent variable. The three groups used in this model were mainstream simple loyalty programs, mainstream complex loyalty programs, and niche loyalty programs users that all had access to the program. To examine which fan engagement factors differed across mainstream and niche sport fans that have access to a loyalty program, a MANCOVA model was run. The F values calculated were used to determine if there were significant differences in fan engagement and the fan engagement factors between mainstream and niche sport fans that have access to a loyalty program. A significance level of .05 was used in this statistical test and the assumptions were checked prior to running the statistical test.

Pilot Test

A pilot study was conducted to evaluate the instrument clarity and effectiveness to ensure the scales were measuring what they were intended to do. Since relationship quality, fan engagement, and sports involvement were being applied to a new setting and sample within the sport management literature, pilot testing was especially appropriate. In order to receive feedback on the questions asked, open-ended questions were added to the end of every main section allowing participants to provide comments on wording and/or any confusion they had. The pilot test allowed the researcher to test the online survey protocol with a similar population. Additionally, the researcher was able to track the time it took participants to complete the survey.

After receiving approval from the IRB, one NBA developmental league (G-league) team from the northeast agreed to participate and was given the survey link and script to email out to their respective fans. Since the main study focuses on mainstream and niche sport fans, using an NBA G-league team is considered comparable as they are basketball fans of a niche sport. The script informed participants of the study's purpose and with whom the data would be shared and ended with a link to the survey. In order to receive feedback on the script, an open-ended question was added to the survey asking whether the expectations were clear in the script.

The pilot test resulted in completed surveys from 20 participants who were predominantly male (78.9%, n = 15) Caucasian (78.9%, n = 15), and married (50%, n = 9) with an average age of 51 years old (SD = 15). The majority of participants had a bachelor's degree or higher (68.4%, n = 13) and incomes ranging from \$25,000 to \$74,999 (42.2%, n = 4) with an average household size of 2.65 (SD = 1.4). Participants of the pilot study were asked to read the informed consent form and agree to understanding the form as well as being over the age of 18 prior to starting the survey. A majority of participants in this sample attended between 6 and 20

games (33.3%, n = 10), were not members of the loyalty program (60.9%, n = 14), and were not members of another sport organizations loyalty program (95%, n = 19).

Overall, the pilot test participants had minimal comments and recommendations about the survey and the email script. Even though extra open-ended questions were added to the survey for the pilot study, participants still completed the entire survey in just over seven and a half minutes. This was encouraging as 12 minutes was a recommended time to take online surveys (Groves, Eltinge, Dillman, & Little, 2002). With regard to the three primary scales of relationship quality, fan engagement, and sports involvement, participants' responses necessitated a few modifications for the final scale.

For the relationship quality scale, wording changes were made to eight different items. Originally, the first item measuring trust stated "I trust the [team name]", however, around half the participants indicated they had a hard time understanding what was meant by trust. The question was then modified to read as follows "The [team name] have integrity." Unlike the relationship quality scale, the participants did not indicate any changes needing to be made to the fan engagement scale so it was not modified for the final study. The sports involvement scale was originally sent out including the team name in the question, however, since the scale is measuring sports involvement and not team involvement, the final scale was modified to measure attitude toward sport rather teams. The final comments from the participants questioned why questions on the survey were repeated. In the script, there was a sentence explaining that even though questions may sound the same, each question was important to answer. To ensure that future participants understood that questions would sound similar, the line was bolded in the script to final participants. For a complete list of changes made to the scales scale refer to Appendix A.

CHAPTER IV

RESULTS

The purpose of this study was to explore if the efficacy of loyalty programs impacted a fans relationship quality and fan engagement with a sport organization. Relationship marketing was used as a theoretical framework for exploring the many factors of relationship quality and fan engagement. The framework was used to guide the research and explore if loyalty programs or sport level have an impact on the factors. The instruments used were modified to fit the purpose of this study with regards to loyalty programs. Data from three judgment samples including a niche sport organization, mainstream sport organization and a Qualtrics panel, were collected for the study. This section will present the results from the previously described analyses in the following order: description of participants, preliminary and descriptive statistics, confirmatory factor analysis, answer to the four research questions.

Participants

Data collection took place in three phases representing the three different collected samples. In order to answer research questions one and two, mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program were collected. The data collection for mainstream sport fans that do not have access to a loyalty program took place for five weeks between July 2017 and August 2017 and was for mainstream sport fans who do not have access to a loyalty program. A total of 3,335 participants started the survey with 2,395 completing it, resulting in a completion rate of 71.8%. In order to

have an even comparison between the three samples, a random selection of 300 participants were selected using the SPSS select cases option. The data collection for mainstream sport fans that have access to a loyalty program took place for two and a half weeks between December 2017 and January 2018. While a total of 265 participants that qualified for the survey started the survey, only 252 completed it, resulting in a completion rate of 95.1%.

In order to answer research questions three and four, once again mainstream sport fans that have access to a loyalty program were needed in addition to niche sport fans that have access to a loyalty program. Since these research questions compared the different types of mainstream loyalty programs to the niche loyalty program, the mainstream sport fans that have access to a loyalty program were split into two groups. As previously mentioned, a total of 252 participants completed with survey with 84 participants being members of a simple loyalty program and 168 participants being members of a complex loyalty program. Wallenstein, Zucker, and Fleiss (1980) recommends that the sample size of the large group should not exceed 1.5 times larger than the small group. Thus, a random sample of 126 participants were selected out of the complex loyalty program users group using SPSS select cases. For the niche sport fans that had access to a loyalty program data collection took place during May 2017 lasting for just over two weeks. A total of 303 participants started the survey with 267 completing the survey, resulting in an 88.1% completion rate. An additional participant was immediately deleted from the survey as they listed their age as 16 years old which goes against IRB protocols. Once again, to ensure similar comparison across loyalty program groups, a random sample of 126 participants were selected using SPSS select cases. For all data collected, listwise deletion was used to eliminate any participants that started the survey but did not complete the required sections (Schafer, 1997). The three required sections included the relationship quality, fan engagement, and sports

involvement questions and were indicated with a double asterisk. As well, participants could not move onto the next section of the survey without answering all questions marked as required.

Niche Loyalty Program Participants

Overall, the niche sample was predominantly female (78.4%, $n = 98$), middle-aged ($M = 52.99$) and Caucasian (72.4%, $n = 89$). Participants indicated that they were fairly educated, with 66.1% ($n = 82$) attaining a Bachelors or Master's degree. The annual household income was primarily spread between \$50,000 and \$124,999 ($n = 57$). The majority of participants indicated that they were married (56.0%, $n = 70$), with a household size of two (49.6%, $n = 62$).

Overwhelmingly, the majority of the participants (94.4%) were season ticket holders. While this value seems to be very high, in order to be a member of the loyalty program for this particular team, fans have to be season ticket holders or be associated with the season ticket holder account. Related to being a season ticket holder, 48% of the participants attended the majority of the home games, between 12 and 16 games last season ($n = 60$).

With regard to the actual loyalty program, participants appeared to be inclined to use the loyalty program (83.8%, $n = 98$). However, when asked how often they use it from never to every possible opportunity, it emerged that a noteworthy number of fans are only sometimes using the program (40.4%, $n = 46$). Lastly, participants were asked if they were members of any other sport related loyalty program. The majority of the participants indicated that they were not members of any other loyalty program (87.9%, $n = 109$). These participants are similar to other studies that have found fans that attend WNBA games have been to be 70% female and 30% male, 54% aged between 31 and 55, 50% make between \$25,000 - \$75,000, and 65% were Caucasian and 22% African-American (Zhang et al., 2003). Another research article focused on the WNBA found participants to be 70% female, 54% Caucasian, with the majority of

participants aged between 35 and 54 (58.7%) (Mumcu & Lough, 2017). For more information about the breakdown of the niche participants see Table 4.1.

Mainstream Non-Loyalty Program Participants

The mainstream sport fans that do not have access to a loyalty program were predominantly male (63.2%, $n=184$) and married (56.4%, $n = 164$). The average age of the participants was 42 years old with 62% of the participants aged between 18 and 44 ($n = 186$). With regards to household size, two ($n = 90$) was the most prevalent with 32.4% of participants, following closely behind were household sizes of three (21.2%, $n = 59$) and four (18.0%, $n = 50$). Interestingly, participants in this sample identified \$150,000 or more 20.6% of the time ($n = 59$) with a large portion of participants indicating they would rather not say (17.8%, $n = 51$). The breakdown for ethnicity for participants in this sample was primarily Caucasian (40.7%, $n = 118$) or Hispanic (25.2%, $n = 73$). Participant responses to highest education achieved were split between high school (19.8%, $n = 49$), bachelor's degree (40.2%, $n = 115$), and master's degree (15.6%, $n = 45$). Previous research identified that over 70% of NBA fans are male, 45% are African-American, 40% are Caucasian, 32% make between \$40,000-\$75,000. Additionally, 62% are between the ages of 18 and 54, with a median age of 37 (Ferdman, 2015; Thompson, 2014).

Participants largely (77%, $n = 231$) indicated that they are not season ticket holders for this mainstream non-loyalty program using team. More so, 61.3% participants indicated they attend between 1 and 10 games last season ($n = 184$) and 14.7% indicated that they did not attend any game last season ($n = 44$). Participants were also asked about their usage of other sport loyalty programs, with 80.9% indicating they do not use any other sport related loyalty program ($n = 242$). For more information about the descriptive statistics of the participants see Table 4.2.

Table 4.1

Descriptive Statistics for Niche Sport Fans that have access to a Loyalty Program.

| Characteristics | <i>n</i> | Niche LP Users (<i>n</i> = 126) |
|----------------------------------|----------|-------------------------------------|
| Season Ticket Holder | | |
| Yes | 119 | 94.4% |
| No | 7 | 5.6% |
| Home Games Attended | | |
| None | 5 | 4.0% |
| 1-5 | 9 | 7.1% |
| 6-11 | 25 | 19.8% |
| 12-16 | 60 | 47.6% |
| Every Home Game Last Season (17) | 27 | 21.4% |
| Use LP | | |
| Yes | 98 | 83.8% |
| No | 19 | 16.2% |
| How Often Use LP* | 114 | 4.24 (1.7) |
| Use other LP | | |
| Yes | 15 | 12.1% |
| No | 109 | 87.9% |

* How often Use LP was measured on a 1(never) to 7(every possible opportunity)

Table 4.2

Descriptive Statistics for Mainstream Sport Fans that do not have access to a Loyalty Program.

| Characteristics | <i>n</i> | Mainstream Non-LP users (<i>n</i> = 300) |
|-----------------------------|----------|--|
| Season Ticket Holder | | |
| Yes | 69 | 23.0% |
| No | 231 | 77.0% |
| Home Games Attended | | |
| None | 44 | 14.7% |
| 1-10 | 184 | 61.3% |
| 11-20 | 27 | 9.0% |
| 21-30 | 19 | 6.3% |
| 31-40 | 16 | 5.3% |
| Every Home Game Last Season | 10 | 3.3% |
| Use other LP | | |
| Yes | 57 | 19.1% |
| No | 242 | 80.9% |

Mainstream Loyalty Program Participants

Participants in this sample were members of at least one loyalty program for a team in the NBA, NHL, NFL, or MLB (Appendix I). The participants were separated into two groups: complex and simple. Complex loyalty program members were found to be evenly split between male (50.3%, $n = 73$) and female (48%, $n = 69$). Participants were middle aged ($M = 45.74$) and married (51%, $n = 74$) with the majority having a household size of two (40.1%, $n = 55$). These participants were overwhelmingly Caucasian (82.8%, $n = 120$) and a third had achieved a bachelor's degree (26.4%, $n = 38$). Over 70% of the participants had income levels less than \$100,000. 60% of the participants ($n = 94$) were not season ticket holders with 30% of the participants having a loyalty program from an NFL team and another 30% from MLB teams. With regards to using the loyalty programs, majority of the participants used the loyalty program (70%, $n = 109$), and the largest group of participants only used it sometimes (25.5%, $n = 37$).

The mainstream simple loyalty program members were found to be evenly split between male (48.8%, $n = 41$) and female (51.2%, $n = 43$). Participants were middle aged ($M = 43.22$) and married (50%, $n = 42$) with a household size of two (39.2%, $n = 31$). The majority of the participants were Caucasian (62.2%, $n = 51$) and hold either an associate (21.4%, $n = 18$) or bachelor's (26.2%, $n = 22$) degree. Over 70% of the participants had income levels less than \$100,000. Participants were evenly split with 51% being season ticket holders ($n = 43$). The majority of the participants had loyalty programs from an NFL organization (62%, $n = 52$). With regards to the usage of the loyalty program, 67.5% of participants ($n = 56$) stated they did use the loyalty program. Many of the participants (56%, $n = 47$) used the loyalty program quite frequently. Refer to Table 4.3 for a full breakdown of participants.

Table 4.3

Descriptive Statistics for Mainstream Sport Fans that do have access to a Loyalty Program.

| Characteristic | <i>n</i> | Simple LP Users (<i>n</i> = 84) | <i>n</i> | Complex LP Users (<i>n</i> = 126) |
|--------------------------------|----------|-------------------------------------|----------|---------------------------------------|
| League Breakdown | | | | |
| NBA | 18 | 21.4% | 29 | 23.0% |
| NFL | 52 | 61.9% | 43 | 34.1% |
| NHL | 1 | 1.2% | 14 | 11.1% |
| MLB | 13 | 15.5% | 40 | 31.7% |
| Season Ticket Holder | | | | |
| Yes | 43 | 51.2% | 44 | 34.9% |
| No | 41 | 48.8% | 82 | 65.1% |
| NBA Games Attended | | | | |
| None | 0 | 0.0% | 4 | 13.8% |
| 1-10 | 12 | 66.7% | 15 | 51.7% |
| 11-20 | 2 | 11.1% | 4 | 13.8% |
| 21-30 | 3 | 16.7% | 3 | 10.3% |
| 31-40 | 1 | 5.6% | 3 | 10.3% |
| NFL Home Games Attended | | | | |
| None | 12 | 23.1% | 15 | 34.9% |
| One | 6 | 11.5% | 5 | 11.6% |
| Two | 9 | 17.3% | 6 | 14.0% |
| Three | 4 | 7.7% | 4 | 9.3% |
| Four | 9 | 17.3% | 6 | 14.0% |
| Five | 3 | 5.8% | 5 | 11.6% |
| Six | 3 | 5.8% | 1 | 2.3% |
| Seven or More | 6 | 11.5% | 1 | 2.3% |
| NHL Home Games Attended | | | | |
| None | 1 | 1.2% | 4 | 28.6% |
| 1-10 | 0 | 0.0% | 6 | 42.9% |
| 11-20 | 0 | 0.0% | 3 | 21.4% |
| 21-30 | 0 | 0.0% | 1 | 7.1% |
| MLB Home Games Attended | | | | |
| None | 1 | 7.7% | 3 | 7.5% |
| 1-10 | 7 | 53.8% | 20 | 50.0% |
| 11-20 | 2 | 15.4% | 6 | 15.0% |
| 21-30 | 3 | 23.1% | 6 | 15.0% |
| 31-40 | 0 | 0.0% | 3 | 7.5% |
| 41-50 | 0 | 0.0% | 2 | 5.0% |
| Use LP | | | | |
| Yes | 56 | 67.5% | 94 | 75.2% |
| No | 27 | 32.5% | 31 | 24.8% |
| How Often Use LP | | | | |
| Use other LP | 83 | 4.46 (2.11) | 126 | 4.04 (1.99) |
| Use other LP | | | | |
| Yes | 15 | 17.9% | 23 | 18.2% |
| No | 69 | 82.1% | 103 | 81.7% |

Table 4.4

Demographic Frequencies and Means of all Participants.

| Characteristics | <i>n</i> | Niche LP (<i>n</i> = 126) | <i>n</i> | Mainstream Non-LP (<i>n</i> = 300) | <i>n</i> | Simple LP Users (<i>n</i> = 84) | <i>n</i> | Complex LP Users (<i>n</i> = 126) |
|------------------------|----------|-------------------------------|----------|---|----------|--|----------|--|
| Gender | 125 | | 291 | | 84 | | 126 | |
| Female | | 78.4% | | 36.8% | | 51.2% | | 49.2% |
| Male | | 20.0% | | 63.2% | | 48.8% | | 49.2% |
| Other | | 1.6% | | 0.0% | | 0.0% | | 1.6% |
| Age | 120 | | 281 | | 77 | | 121 | |
| Mean (SD) | | 53 (13.2) | | 42 (13.6) | | 43 (18.1) | | 45 (17.6) |
| Range | | 25-84 | | 18-77 | | 19-74 | | 18-76 |
| Marital | 125 | | 291 | | 84 | | 126 | |
| Married | | 56.0% | | 56.4% | | 42.0% | | 47.6% |
| Single | | 28.8% | | 28.5% | | 26.2% | | 30.2% |
| Divorced | | 8.8% | | 7.6% | | 9.5% | | 8.7% |
| Partnered | | 2.4% | | 3.1% | | 10.7% | | 8.7% |
| Widowed | | 1.6% | | 1.7% | | 1.2% | | 2.4% |
| Household Size | 125 | | 278 | | 79 | | 118 | |
| One | | 25.6% | | 12.2% | | 15.2% | | 18.6% |
| Two | | 49.6% | | 32.4% | | 39.2% | | 39.8% |
| Three | | 16.0% | | 21.2% | | 19.0% | | 24.6% |
| Four | | 7.2% | | 18.0% | | 20.2% | | 9.3% |
| Five | | 1.6% | | 13.3% | | 6.3% | | 5.9% |
| Six and higher | | 0.0% | | 2.5% | | 0.0% | | 1.7% |
| Ethnicity | 123 | | 290 | | 82 | | 126 | |
| Caucasian/White | | 72.4% | | 40.7% | | 62.2% | | 81.7% |
| Asian/Pacific Islander | | 8.9% | | 11.7% | | 15.9% | | 4.8% |
| African-American/Black | | 9.8% | | 17.9% | | 14.6% | | 7.9% |
| Multiracial | | 4.1% | | 2.4% | | 1.2% | | 0.8% |
| Hispanic | | 1.6% | | 25.2% | | 4.9% | | 4.0% |
| Other | | 3.3% | | 2.1% | | 1.2% | | 0.8% |
| Education Level | 124 | | 286 | | 84 | | 125 | |
| High School | | 8.9% | | 19.8% | | 23.8% | | 24.0% |
| Associate Degree | | 14.5% | | 14.3% | | 29.7% | | 18.4% |
| Bachelor's Degree | | 41.1% | | 40.2% | | 26.2% | | 24.8% |
| Master's Degree | | 25.0% | | 15.6% | | 15.5% | | 23.2% |
| Doctoral Degree | | 9.6% | | 10.1% | | 3.6% | | 5.6% |
| Income Level | 122 | | 287 | | 84 | | 126 | |
| < \$25,000 | | 1.6% | | 3.5% | | 15.5% | | 15.9% |
| \$25,000-\$49,999 | | 6.6% | | 13.6% | | 20.2% | | 22.2% |
| \$50,000-\$74,999 | | 18.0% | | 12.5% | | 16.7% | | 18.3% |
| \$75,000-\$99,999 | | 14.8% | | 13.6% | | 20.2% | | 15.1% |
| \$100,000-\$124,999 | | 13.9% | | 11.1% | | 7.1% | | 10.3% |
| \$125,000-\$149,999 | | 6.6% | | 7.3% | | 8.3% | | 5.6% |
| ≥ \$150,000 | | 23.8% | | 20.6% | | 7.2% | | 12.0% |

Niche versus Mainstream Sports

All participants were asked to indicate on a scale from (1) niche to (7) mainstream where they felt a particular sport league fell. The sport leagues they were asked about include the NBA, NBA G-League, WNBA, NFL, MLB, MLS, and NWSL. Participants indicated that they felt the NFL ($M = 6.05$) was the most mainstream sport with the MLB ($M = 5.82$) and the NBA ($M = 5.78$) following closely behind. The MLS ($M = 4.20$) was ranked to be towards the middle between niche and mainstream. Lastly, participants indicated that the WNBA ($M = 3.48$), NWSL ($M = 3.04$), and the NBA G-League ($M = 3.08$) were most like a niche sport.

Table 4.5

Sport leagues Means (M) and Standard Deviations (SD) for Ranking from Niche to Mainstream for all participants.

| Sport League | n | M | SD |
|--------------|-----|------|------|
| NFL | 602 | 6.05 | 1.86 |
| MLB | 594 | 5.82 | 1.66 |
| NBA | 628 | 5.78 | 1.87 |
| MLS | 594 | 4.20 | 1.73 |
| WNBA | 619 | 3.48 | 1.70 |
| NBA G-League | 613 | 3.08 | 1.81 |
| NWSL | 584 | 3.04 | 1.76 |

Preliminary Analyses and Descriptive Statistics

Prior to any analyses, data were screened for instances of missing data. Since this was an online survey, all questions pertaining to the relationship quality, fan engagement, and sports involvement scales were required for completion. Thus, the only missing data were on a few descriptive and demographic questions which were not labeled as required. All participants who fully completed the required questions were included in the final analyses.

In order to check for normality of the data, the Shapiro-Wilks test of normality in conjunction with Q-Q plots with kurtosis and skew statistics were evaluated. The Shapiro-Wilks test for each scale was significant, indicating that the data deviates from normal distribution. The

Q-Q plots on the other hand indicated that the data was relatively located on the normal diagonal line. Additionally, as shown in Appendix C, many variables had z-scores for both skewness and kurtosis higher than + or – 1.96, indicating deviation from the normal distribution. Next, Pearson’s bivariate correlation analysis were examined to evaluate potential collinearity. Multicollinearity was not found for any of the variables as the correlations were all below .90 or higher (Kline, 2015). All Pearson’s *r* correlations can be found in Appendix C.

Confirmatory Factor Analyses

In order to test the factor structure for the three adapted instruments of relationship quality, fan engagement, and sport involvement, CFA analyses were conducted for the overall sample. For relationship quality, five factors of trust, commitment, intimacy, identification, and reciprocity were used. For fan engagement, the factors of management cooperation, prosocial behavior, and performance tolerance were tested. The sport involvement CFA included the factors of hedonic, symbolic, and centrality. The first assessment of the model is the χ^2 test statistic. While it is recommended to have a non-significant χ^2 with a χ^2/df less than 3, knowing that the χ^2 is sensitive to sample size, other fit statistics need to be evaluated (Little, 2013). The RMSEA and the SRMR should have the suggested values from .02 to .05 for good fit and .06 to .08 for acceptable fit, and .09 to .1 for an adequate fit. Next, the CFI and TLI have recommended values between .95 to .99 for very good fit and .90 to .94 for acceptable fit, and .85 to .89 for an adequate fit (Little, 2013). The CFA models were conducted using the maximum likelihood estimation with robust standard errors and mean-and variance adjusted test statistic (MLMV) in Mplus 7.

Sports Involvement

For sports involvement, the model fit was found not to be a reasonable fit, $\chi^2(24, 426.42) = 17.77, p < .001$; RMSEA (.13, .15) = .14; CFI = .88; TLI = .81; SRMR = .09. The item loadings of the scale ranged from .43 to .88 for hedonic, .53 to .89 for centrality, .83 to .91 for symbolic. Since this model was not found to have acceptable fit, the item loadings were evaluated.

Hedonic1 “Being a [sport] fan is fun,” had a low item loading of only .425, so it was deleted from the model. A second sports involvement CFA model was conducted without hedonic1. The model was found to still not be considered a reasonable fit, $\chi^2(17, 222.33) = 13.08, p < .001$; RMSEA (.11, .14) = .12; CFI = .93; TLI = .89; SRMR = .06. The item loadings of the scale ranged from .52 to .86 for hedonic, .52 to .89 for centrality, .83 to .91 for symbolic. Since the model still did not have reasonable fit, the item loadings of hedonic were still very low, and centrality3 was highly correlated to the hedonic factor, the entire factor of hedonic was dropped.

The sports involvement CFA model was conducted again and still found not to be acceptable, $\chi^2(8, 313.29) = 39.6, p < .001$; RMSEA (.20, .24) = .22; CFI = .82; TLI = .66; SRMR = .12. The item loadings for the sports involvement scale ranged from .41 to .82 for centrality, and .55 to .85 for symbolic. When evaluating the model, centrality1 and centrality2 both had low factor scores and low coefficients of determination (R^2). Rather than maintaining a single item factor, the entire centrality factor was dropped from sports involvement. This left symbolic as the remaining factor measuring sports involvement in this study. The items loadings for symbolic .51 to .86 for symbolic. Moving forward in this study, the psychographic variable will no longer be called sports involvement but rather just symbolic value.

Relationship Quality

The model for relationship quality was found to have a reasonable fit, $\chi^2(85, 511.43) = 6.02, p < .001$; RMSEA (.07, .09) = .08; CFI = .88; TLI = .85; SRMR = .08. For relationship quality, the item loadings ranged from .65 to .85 for trust, .79 to .94 for commitment, .71 to .81 for intimacy, .74 to .85 for identification, and .84 to .91 for reciprocity.

Fan Engagement

The fan engagement model was found to have an acceptable model fit, $\chi^2(24, 85.78) = 3.57, p < .001$; RMSEA (.04, .07) = .06; CFI = .97; TLI = .96; SRMR = .04. The item loadings for fan engagement are between .67 to .75 for management cooperation and .63 to .74 for prosocial behavior, and .84 to .91 for performance tolerance. Since the CFA models were all found acceptable for the scales, reliability and descriptive statistics for the scales were analyzed.

Reliability and Validity of the Instruments

To assess reliability, composite reliability (CR) scores were calculated for each of the constructs. The cutoff values for composite reliability range between .60 and .70 in exploratory research and .70 and .90 in advanced research (Nunnally & Bernstein, 1994).

The CR scores ranged from .79 to .84 for the main factors of relationship quality, fan engagement, and symbolic. All the CR scores were over .70 for all factors. In addition, the AVE values were examined with results indicating that all the AVE values exceed the recommended minimum .50 value except prosocial behavior (.453). Even though the AVE value of prosocial behavior is less than .5, since the CR is greater than .6, the construct of prosocial behavior is still adequate (Fornell & Larcker, 1981). Both the CR and AVE values can be seen in Table 4.6.

Table 4.6

Reliability Tests for Scale Factors: Composite Reliability (CR), Average Variance Extracted (AVE), and Means (M), and Variances (s^2), and Standard Deviations (SD).

| Factors | <i>CR</i> | <i>AVE</i> | <i>M</i> | s^2 | <i>SD</i> |
|-----------------------------|-----------|------------|----------|-------|-----------|
| Relationship Quality | .893 | .637 | 5.55 | 0.80 | 0.89 |
| Trust | .825 | .614 | 5.84 | 1.08 | 1.04 |
| Commitment | .899 | .749 | 6.25 | 0.94 | 0.97 |
| Intimacy | .804 | .577 | 6.14 | 0.76 | 0.87 |
| Identification | .840 | .638 | 5.20 | 1.75 | 1.32 |
| Reciprocity | .904 | .758 | 4.34 | 2.28 | 1.51 |
| Fan Engagement | .842 | .647 | 5.40 | 1.00 | 1.00 |
| Management Cooperation | .760 | .514 | 5.16 | 1.32 | 1.15 |
| Prosocial Behavior | .712 | .453 | 4.92 | 1.92 | 1.39 |
| Performance Tolerance | .913 | .779 | 6.12 | 1.31 | 1.14 |
| Symbolic Value | .786 | .561 | 5.24 | 1.47 | 1.21 |

Research Questions

Psychographic Differences

Since the participants were collected from different groups, a baseline equivalence between the different groups needed to be examined prior to answering the research questions. The psychographic variable for this study initially was sports involvement, which after running the CFA, is now symbolic value. Two independent sample *t*-tests using the Welch-Satterthwaite statistic were evaluated. The first *t*-test evaluated if symbolic value was different between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program. Results indicated that symbolic value does significantly differ ($t(549) = -2.35, p = .019$) between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program. The effect size between the two groups was 0.1. The second *t*-test evaluated the difference between niche sport fans that have access to a loyalty program and mainstream sport fans that have access to a simple loyalty program. The results indicated a significant difference in symbolic value ($t(208) = 2.87, p = .005$) with an effect size of 0.15. The third *t*-test evaluated the difference between niche sport

fans that have access to a loyalty program and mainstream sport fans that have access to a complex loyalty program. The results indicated a significant difference in symbolic value ($t(250) = 2.36, p = .02$) with an effect size of 0.20. Since a significant difference was found between the groups, ANCOVA analyses were used to answer the research questions.

Table 4.7

Means (M) and Standard Deviations (SD) for Symbolic Value across the groups.

| | Mainstream non-LP (n = 227) | Mainstream LP (n = 227) | Simple LP (n = 84) | Niche LP (n = 126) | Complex LP (n = 126) |
|-----------------|--------------------------------|----------------------------|-----------------------|-----------------------|-------------------------|
| | M (SD) | M (SD) | M (SD) | M (SD) | M (SD) |
| Symbolic Value* | 5.04 (1.58) | 5.32 (1.26) | | | |
| Symbolic Value* | | | | 4.94 (1.44) | 5.34 (1.21) |
| Symbolic Value* | | | 5.48 (1.15) | 4.94 (1.44) | |

* $p < .05$

Season Ticket Holders Comparison

As research questions three and four compared across three groups of loyalty program participants and the niche sport fans are all season ticket holders, it was important to compare the niche season ticket holders to the mainstream loyalty program participants season ticket holders. As well, it was important to compare mainstream loyalty program season ticket holders to mainstream loyalty program non-season ticket holders. Independent sample t -tests were evaluated on relationship quality and fan engagement. First season ticket holders of the niche loyalty program were compared to season ticket holders of the mainstream loyalty programs. Results indicated that the groups did not significantly differ on relationship quality ($t(162) = -1.25, p = .213$) nor fan engagement ($t(185) = 1.53, p = .129$). The second t -test examined across mainstream loyalty program season ticket holders and mainstream loyalty program non-season ticket holder participants. Results indicated that the groups did not significantly differ on

relationship quality ($t(188) = 1.95, p = .052$) but do significantly differ on fan engagement ($t(204) = 3.55, p < .001$).

Table 4.8

Means (M) and Standard Deviations (SD) for dependent variables across season ticket holders.

| | Mainstream non-LP STH (n = 123) | Mainstream LP STH (n = 87) | | Niche LP STH (n = 119) | Mainstream LP STH (n = 87) |
|-------------------------|---------------------------------------|----------------------------------|-------------------------|------------------------------|----------------------------------|
| | M (SD) | M (SD) | | M (SD) | M (SD) |
| Fan Engagement* | 5.16 (1.13) | 5.66 (.92) | Fan Engagement | 5.47 (.92) | 5.66 (.92) |
| Relationship Quality | 5.34 (.94) | 5.60 (.92) | Relationship Quality | 5.75 (.75) | 5.60 (.92) |

* $p < .05$

Research Question One

The first research question looked to examine differences in relationship quality between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program. An ANCOVA was conducted to examine differences between the groups on relationship quality. The dependent variable was relationship quality, and the two groups were mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program. Relationship quality was calculated as an aggregate mean score of the five factors that make up relationship quality. The covariates were symbolic value, gender, age, marital status, household size, ethnicity, education level, and income level. The ANCOVA was followed by a MANCOVA with the same covariates and groups in order to examine differences for the factors of relationship quality. The five factors of relationship quality were represented as mean values.

Assumptions. The assumptions of the ANCOVA were assessed before examining the differences. The first assumption looked at the independence of observations which was met as each group contained different participants and the participants only belonged to one group. The

second assumption examined the normality of the data. By evaluating the Q-Q plots for relationship quality across mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program, the data were shown to be distributed relatively normal. The third assumption of homogeneity of variances was tested using the Levene's test and was found to be significant ($F = 16.01, p < .001$), indicating the equal variances are not assumed. However, if the ratio of the largest to smallest size group is similar and the variance in the largest group is 10:1 or less to the variance in the smallest group, homogeneity of variances is not considered to be an issue (Garson, 2012). Thus, this assumption can be assumed to be met as the sample sizes are relatively similar and variances are less than 4:1.

The fourth assumption assessed that the covariates were not highly correlated. Examining Pearson's r bivariate correlations revealed that none of the covariates were highly correlated. Age and household size had the closest significant correlation at -0.36. The fifth assumption tested that the relationship between the covariates and the dependent variable across both groups was linear. Using grouped scatterplots, the results indicated that there was a reasonably linear relationship between the covariates and relationship quality for each group. The sixth assumption tested the homogeneity of regression slopes and was evaluated by plotting the mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program with relationship quality and the covariates. The interaction effect was not found to be significant between relationship quality and the covariates indicating that the slopes are parallel and the assumption is met.

ANCOVA. A full factorial ANCOVA model was conducted to test for a significant difference between mainstream sport fans that have access to a loyalty program and mainstream

sport fans that do not have access to a loyalty program on relationship quality. The results did not reveal a significant difference ($F(1, 407) = .513, p = .47$) on relationship quality between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program (see Table 4.9).

MANCOVA. A full factorial MANCOVA model was run to test for significant differences between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program on the factors relationship quality. A significant difference (Wilks' Lambda = .884, $F(5, 423) = 11.07, p < .001$) was found between the mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program for at least one of the factors of relationship quality. Furthermore, the factors that were significant were commitment ($F(1, 427) = 5.65, p = .018$), intimacy ($F(1, 427) = 4.88, p = .018$), identification ($F(1, 427) = 10.06, p = .002$), and reciprocity ($F(1, 427) = 33.32, p < .001$). A further look at the groups indicated that mainstream sport fans that do not have access to a loyalty program ($M = 6.43$) had higher commitment than mainstream sport fans that have access to a loyalty program ($M = 6.17$). In addition, mainstream sport fans that do not have access to a loyalty program ($M = 5.92$) had higher intimacy than mainstream sport fans that have access to a loyalty program ($M = 5.71$). On the other hand, mainstream sport fans that have access to a loyalty program ($M = 5.24$) had higher identification than mainstream sport fans that do not have access to a loyalty program ($M = 4.84$). Similarly, mainstream sport fans that have access to a loyalty program ($M = 4.62$) had higher reciprocity than mainstream sport fans that do not have access to a loyalty program ($M = 3.62$).

Table 4.9

Means and Standard Error across Relationship Quality for mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program.

| | Mainstream LP (n = 227) | Mainstream non-LP (n = 256) |
|----------------------|----------------------------|--------------------------------|
| | <i>M (SE)</i> | <i>M (SE)</i> |
| Relationship Quality | 5.37 (.25) | 5.25 (.24) |
| Trust | 5.48 (.31) | 5.45 (.31) |
| Commitment* | 6.17 (.29) | 6.43 (.29) |
| Intimacy* | 5.71 (.25) | 5.92 (.25) |
| Identification* | 5.24 (.33) | 4.84 (.33) |
| Reciprocity* | 4.62 (.46) | 3.62 (.46) |

* $p < .05$

Research Question Two

The second research question looked to explore differences in fan engagement between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program. An ANCOVA was conducted to examine differences between the groups on fan engagement. The dependent variable was fan engagement, the two groups were mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program, and the covariates were symbolic value, gender, age, marital status, household size, ethnicity, education level, and income level. Fan engagement was calculated as an aggregate mean score of the three factors that make up fan engagement. This was followed by a MANCOVA to examine differences between the groups on the factors of fan engagement. The three factors of fan engagement were represented as mean values.

Assumptions. The assumptions of the ANCOVA were assessed before examining the differences. The first assumption looked at the independence of observations which was met as each group contained different participants and the participants only belonged to one group. The second assumption examining the normality of the data was evaluated by Q-Q plots for fan engagement across mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program. The results indicated that fan engagement was shown to be relatively normally distributed across both groups. The third assumption of homogeneity of variances was tested using the Levene's test and was found to be significant ($F = 16.01, p < .001$), indicating equal variances are not assumed. However, as Garson (2012) highlights if the sample sizes are similar and the variances are less than a 10:1 ratio, the homogeneity of variances can be assumed to be adequate. Thus, this assumption can be assumed met as the sample sizes are relatively similar and variances are measured at 4:1 ratio.

Using the same covariates as research question one, the Pearson's r showed that the correlations of the covariates were not highly correlated. The fifth assumption testing the linear relationship between the covariates and fan engagement across the mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program was found to be linear. The sixth assumption tested the homogeneity of regression slopes and was evaluated by plotting the mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program with fan engagement and the covariates. The interaction effect was not found to be significant between fan engagement and the covariates indicating homogeneity of slopes.

ANCOVA. To test differences between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program on fan

engagement, a full factorial ANCOVA model was run. The results did not reveal a significant difference ($F(1, 430) = 3.799, p = .052$) between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program for fan engagement (see Table 4.10).

MANCOVA. A MANCOVA model was run to test for significant differences between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program on the factors of fan engagement. A significant difference (Wilks' Lambda = .947, $F(3, 428) = 7.96, p < .001$) was found between the mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program for at least one of the factors of fan engagement. The significant factor was performance tolerance ($F(1, 430) = 17.62, p < .001$). A further look at the groups indicated that mainstream sport fans that do not have access to a loyalty program ($M = 6.37$) had higher performance tolerance than mainstream sport fans that have access to a loyalty program ($M = 5.85$).

Table 4.10

Means and Standard Deviations across Fan Engagement for mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program.

| | Mainstream LP (n = 227) | Mainstream non-LP (n = 256) |
|------------------------|----------------------------|--------------------------------|
| | M (SE) | M (SE) |
| Fan Engagement | 4.83 (.26) | 5.02 (.26) |
| Management Cooperation | 4.40 (.355) | 4.44 (.35) |
| Prosocial Behavior | 4.23 (.34) | 4.25 (.34) |
| Performance Tolerance* | 5.85 (.31) | 6.37 (.30) |

* $p < .05$

Research Question Three

The third research question sought to explore any differences between mainstream and niche sport fans that have access to a loyalty program as it pertained to relationship quality. Mainstream sport fans were separated into two groups based on the type of loyalty program that was offered either simple or complex. The three groups explored were simple mainstream, complex mainstream, and niche sport fans that have access to a loyalty program. The dependent variable was relationship quality, and the covariates were symbolic value, gender, age, marital status, household size, ethnicity, education level, and income level. Relationship quality was calculated as an aggregate mean score of the five factors that make up relationship quality. In order to answer this research question and explore if any differences may occur across the three groups, an ANCOVA model was conducted. In addition, a MANCOVA model was run to test for any differences with regards to the factors of relationship quality. The five factors of relationship quality were represented as mean values.

Assumptions. The assumptions of the ANCOVA were assessed before examining the differences between niche, simple, and complex mainstream sport fans that have access to a loyalty program. The first assumption looked at the independence of observations which was met as the niche and mainstream sport fans that have access to a loyalty program each contained different participants and that only belonged to one group. The second assumption looked at the normality of the data. When looking at the Q-Q plot, the data for relationship quality was shown to be relatively normally distributed. The third assumption of homogeneity of variances was tested using the Levene's test and was found to be significant across all three groups ($F = 3.49, p = .032$), indicating the variances are assumed to not be equal. Similar to the other research questions, the sample sizes are relatively similar and variances have a ratio of 2:1, indicating

assumptions are similar (Garson, 2012). The fourth assumption, measuring the correlations of the covariates was once again met as the covariates have not changed from research question one or two. The linear assumption between relationship quality and the covariates was then evaluated. The relationship was found to be linear across the niche and mainstream sport fans that have access to a loyalty program. Lastly, the interaction effect was examined to evaluate the homogeneity of regression slopes. The interaction effect was not found to be significant between relationship quality and the covariates indicating homogeneity of slopes.

ANCOVA. A full factorial ANCOVA model was run to explore for any significant differences between niche loyalty program participants, and simple or complex mainstream loyalty program participants on relationship quality. The results revealed a significant difference ($F(2, 267) = 15.54, p < .001$) between the niche loyalty program participants and both the simple and complex mainstream loyalty program participants. The simple and complex loyalty program participants were not found to be significantly different from each other (see Table 4.11). A closer look at the groups revealed that niche sport fans that have access to a loyalty program ($M = 5.17$) had significantly higher relationship quality towards the sport organization than the mainstream sport fans that have access to a simple loyalty program ($M = 4.47$) and complex loyalty program ($M = 4.37$).

MANCOVA. Following the ANCOVA, a full factorial MANCOVA model was conducted to test for significant differences between niche loyalty program participants, simple, and complex mainstream loyalty program participants on the factors of relationship quality. A significant difference (Wilks' Lambda = .885, $F(10, 468) = 2.95, p = .001$) was found between the three groups of participants that have access to a loyalty program for at least one of the factors of relationship quality. Furthermore, the factors that were significant were trust ($F(2,$

238) = 7.33, $p = .001$) and intimacy ($F(2, 238) = 3.31, p = .038$). A further look at the groups indicated that niche sport fans that have access to a loyalty program ($M = 5.49$) had higher trust towards the sport organization than the mainstream sport fans that have access to a simple loyalty program ($M = 4.67$) and complex loyalty program ($M = 4.79$). Similarly, niche sport fans that have access to a loyalty program ($M = 5.83$) had higher intimacy than the mainstream sport fans that have access to a simple loyalty program ($M = 5.36$).

Table 4.11

Means and Standard Deviations across Relationship Quality for niche and mainstream sport fans that have access to a loyalty program.

| | Niche LP (n = 113) | Simple LP (n = 84) | Complex LP (n = 126) |
|-----------------------|--------------------------|-------------------------|-------------------------|
| | M (SE) | M (SE) | M (SE) |
| Relationship Quality* | 5.17 (.39) ^{bc} | 4.47 (.38) ^a | 4.37 (.38) ^a |
| Trust* | 5.49 (.54) ^{bc} | 4.67 (.56) ^a | 4.79 (.54) ^a |
| Intimacy* | 5.83 (.42) ^b | 5.26 (.43) ^a | 5.61 (.42) |
| Commitment | 5.89 (.42) | 5.47 (.44) | 5.52 (.43) |
| Identification | 4.15 (.54) | 4.46 (.56) | 4.43 (.54) |
| Reciprocity | 4.5 (.72) | 4.77 (.75) | 4.40 (.73) |

* $p < .05$

a indicates significant difference from Niche LP

b indicates significant difference from Simple LP

c indicates significant difference from Complex LP

Research Question Four

The fourth research question sought to explore any differences between niche and mainstream sport fans that have access to a loyalty program as it pertained to fan engagement. In order to answer this research question and explore for any differences, an ANCOVA model was conducted. The dependent variable was fan engagement, the three groups were niche loyalty program participants, simple, and complex mainstream loyalty program participants. The

covariates were symbolic value, gender, age, marital status, household size, ethnicity, education level, and income level. This was followed by a MANCOVA to examine differences between the groups on the factors of fan engagement. The three factors of fan engagement were represented as mean values while overall fan engagement was an aggregate mean of the three factors.

Assumptions. The assumptions of the ANCOVA were assessed before examining the differences between niche and mainstream sport fans that have access to a loyalty program. The first assumption looked at the independence of observations which was met as the niche and mainstream sport fans that have access to a loyalty program each contained different participants that represented different groups. The second assumption looked at the normality of the data. When looking at the Q-Q plot, the data for fan engagement was relatively normally distributed. The third assumption of homogeneity of variances was tested using the Levene's test and was found to be significant ($F = 3.28, p = .039$), indicating the equal variances are not assumed. Similar to the other research questions, the variances are less than 2:1 and sample sizes are relatively similar, indicating assumptions can be assumed similar (Garson, 2012). Since the correlations of the covariates were the same as research questions one, two, and three, the assumption that the covariates are not highly correlated was met. The next assumption evaluated the linear relationship between fan engagement and the covariates. Similar to research question three, a linear relationship was found between niche and mainstream sport fans that have access to a loyalty program across the covariates and fan engagement. The sixth assumption, homogeneity of regression slopes was evaluated by plotting the niche and mainstream sport fans that have access to a loyalty program with fan engagement and the covariates. The interaction effect was not found to be significant between fan engagement and the covariates indicating homogeneity of slopes.

ANCOVA. A full factorial ANCOVA model was run to explore for significant differences between niche loyalty program participants, simple, and complex mainstream loyalty program participants on fan engagement. The results did not reveal a significant difference ($F(2, 267) = .691, p = .502$) between the niche loyalty program participants and the simple and complex mainstream loyalty program participants (see Table 4.12).

MANCOVA. Following the ANCOVA, a full factorial MANCOVA model was conducted to explore for any significant differences between niche loyalty program participants, simple, and complex mainstream loyalty program participants on the factors of fan engagement. A significant difference (Wilks' Lambda = .879, $F(6, 472) = 5.25, p < .001$) was found between the three groups of participants that have access to a loyalty program for at least one of the factors of fan engagement. Furthermore, the factors that were significant were management cooperation ($F(2, 238) = 3.43, p = .034$) and performance tolerance ($F(2, 238) = 5.03, p = .007$). An examination of the groups indicated that niche sport fans that have access to a loyalty program ($M = 5.20$) had higher management cooperation than the mainstream sport fans that have access to a simple loyalty program ($M = 4.66$) and complex loyalty program ($M = 4.71$). Niche sport fans that have access to a loyalty program ($M = 6.64$) also had higher performance tolerance than mainstream sport fans that have access to a simple loyalty program ($M = 5.98$).

Table 4.12

Means and Standard Deviations across Fan Engagement for niche and mainstream sport fans that have access to a loyalty program.

| | Niche LP (n = 113) | Simple LP (n = 84) | Complex LP (n = 126) |
|----------------------------|--------------------------|-------------------------|-------------------------|
| | M (SE) | M (SE) | M (SE) |
| Fan Engagement | 5.37 (.43) | 5.18 (.42) | 5.20 (.42) |
| Management Cooperation* | 5.20 (.56) ^{bc} | 4.66 (.57) ^a | 4.71 (.56) ^a |
| Prosocial Behavior | 4.22 (.59) | 4.54 (.61) | 4.79 (.59) |
| Performance Tolerance* | 6.64 (.54) ^b | 5.98 (.56) ^a | 6.31 (.55) |

* $p < .05$

a indicates significant difference from Niche LP

b indicates significant difference from Simple LP

c indicates significant difference from Complex LP

CHAPTER V

DISCUSSION

Relationship marketing is a useful marketing strategy as sport organizations inherently have fans who desire a connection with the organization (Buhler & Nufer, 2010), and committed fans are key to organization's continued success (Hunt et al., 1999). The multidimensional constructs of relationship quality and fan engagement are often used to evaluate a relationship marketing approach (Kim & Trail, 2011; Vivek et al., 2012). In an effort to build fan engagement and relationship quality, there has been an increased use in the relationship marketing strategy of a loyalty program (Dorotic et al., 2012). Particularly in the sport industry, loyalty programs may have the capabilities to keep fans engaged with the organization and working towards building or maintaining a strong relationship with fans. However, previously literature is inconclusive regarding whether or not loyalty programs are actually effective, and little research has explored the use of loyalty programs in the sport industry.

Loyalty programs are designed to build and secure engagement and loyalty by providing incentives for maintaining a relationship to the organization (Ha & Stoel, 2014). While there is a growing body of literature on the use of relationship marketing in sport (e.g., Achen, 2016; Hambrick & Kang, 2015; Kim et al., 2011b; Pronschinske et al., 2012; William & Chinn, 2010), there are a limited number of studies examining the use of loyalty programs (e.g., Pritchard &

Negro, 2001; Yoshida et al., 2015a; Yoshida et al., 2015b). More so, the previous studies looking at loyalty programs do not explore if the use of a loyalty program could actually increase behavior or attitudes, but rather simply use loyalty program users as the participants. There is a gap in the sport management literature connecting relationship marketing with the use of a loyalty program.

Subsequently, this study sought to explore if loyalty programs may have the capabilities to impact the relationship quality and fan engagement of sport fans when it came to their interactions and relationship with a sport organization. Moreover, this study explored the use of loyalty programs across two different levels of sport, mainstream and niche, as differences have been previously identified (Dwyer et al., 2016; Greenhalgh et al., 2011; Miloch & Lambrecht, 2006). Data from three separate judgment samples including a niche sport organization, mainstream sport organization and a Qualtrics panel, were used in this study. This final chapter is split into the following sections: 1) overall implications 2) conclusions for each research question, 3) practical implications, 4) theoretical implications, 5) implications for future research, and 6) a final summary of the study.

Overall Implications

The results of the current study highlight some potential conclusions when it comes to using a loyalty program to build relationships. First, it should be noted that even though the niche sport fans that had access to the loyalty program were all season ticket members they were not significantly different than the season ticket holders of mainstream sport organizations with regards to relationship quality and fan engagement. Just as important, mainstream sport season ticket holders were not found to be significantly different than mainstream non-season ticket holders with regards to relationship quality. However, mainstream sport season ticket holders

were found to be significantly different than non-mainstream season ticket holders with regards to fan engagement. Since the mainstream season ticket holders were found to have higher fan engagement than the non-mainstream season ticket holders, the results between loyalty program participants may be impacted for fan engagement. More so, as the mainstream and niche season ticket holders were not found to be significantly different, the exploration of fan engagement across loyalty program participants may innately be higher for the niche sport fans due to the lack of non-season ticket holders.

The results highlighted that the use of loyalty programs within the sport industry to build stronger relationships may not truly build loyalty to the organization for either niche or mainstream sport organizations. These results support previous literature from Dowling and Uncles (1997) and Wulf et al. (2001) that found that loyalty programs do not foster stronger relationships to the organization. A relationship marketing framework is concerned with building long-lasting relationships that are built on high levels of engagement. The results showed that neither niche or mainstream sport fans that have access to the loyalty program were shown to have potentially higher levels of fan engagement. Since niche sport fans due to their season ticket holder classification may have started out with higher fan engagement to begin with, this result reinforces that the loyalty program may not actually be building stronger overall relationships. Thus, the use of the loyalty program as a marketing tool to enhance the fan engagement among sport fans may not fully work and needs to be explored further.

With regards, to the levels of relationship quality, mainstream sport fans that have access to a loyalty program were not shown to have significantly higher relationship quality. With over half of every North American mainstream sport fan not living within the local market (Fain, 2013), fans may not feel that the loyalty program is actually bringing them closer to the

organization. More so, these fans may choose not to have a close relationship with the organization as the majority of their support is through watching games from a distance. For niche sport organizations, the results indicated that niche sport fans that have access to the loyalty program did have higher relationship quality than mainstream sport fans that had access to the loyalty program. These results support previous research by Lewis (2004) and Taylor and Neslin (2005) that found that using a loyalty program can be an effective tool for building stronger relationships. Thus, even though there are substantial upfront costs for setting up and running a loyalty program, niche sport organizations may want to consider implementing a loyalty program for helping to strengthen a relationship. While these are some highlights of the findings that emerged from the results, it is important to examine each of the research questions when discussing the findings of this study.

Conclusions for Research Questions

The following inferences were drawn from the analyses for each of the four research questions used to guide this study.

Research Question 1

To what extent are there differences in relationship quality between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program?

The results indicated that mainstream sport fans that have access to a loyalty program did not significantly differ in overall relationship quality towards the sport organization than mainstream sport fans that do not have access to a loyalty program. When reviewing the means for relationship quality, both mainstream sport fans that have access and mainstream sport fans that do not have access to a loyalty program were found to relatively high values. So while this

result does not support previous research by Keh and Lee (2006), who found that loyalty program members saw more benefits from maintaining a relationship with the organization, the sport fans in general felt they had a reasonably strong relationship with the sport organizations.

For mainstream sport organizations who already have large fan bases, if there is a chance that the use of the loyalty program may not improve overall relationship quality, then the time and effort to run the loyalty program may not be worth it. Running a loyalty program is very time consuming and if the program is not actually effective on building a stronger relationship, then time may be better spent elsewhere. Sport marketers may want to spend their time connecting with the fans through simpler means including social media, events before or after the game, and email.

Even though a significant difference was not found on the overall factor of relationship quality, the individual factors that make up relationship quality were still examined for differences between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program. The results indicated that mainstream sport fans who have access to a loyalty program had higher fan identification than mainstream sport fans who do not have access to a loyalty program. This finding supports previous research by Pritchard and Negro (2001) that the use of a loyalty program can potentially impact the level of fan identification a fan had with the team. This result may be encouraging to sport marketers as fan identification has been shown to lead to increased attendance, purchases of merchandise, and positive word-of-mouth.

With regards to the level of reciprocity, Palmatier (2008a) had found that when customers felt the level of reciprocity was not balanced, the value they placed on the company decreased. The results of this study showed that mainstream sport fans that have access to a loyalty program

felt higher levels of reciprocity than mainstream sport fans that do not have access to a loyalty program. This could be an indication that sport marketers may want to invest in developing a loyalty program as sport fans that use the program could feel that they are receiving more in return from the organization than sport fans that do not have a loyalty program. However, it should be noted that even though mainstream sport fans that have access to a loyalty program had higher reciprocity, the mean for reciprocity was only 4.7 out of seven. Since reciprocity is low and a benefit of using a loyalty program is to have access to and the ability to collect information that otherwise may not be available, the question that remains is if sport organizations are using this information properly to engage fans and build a stronger relationship.

If sport fans do not feel that the relationship is balanced with a sport organization, they will not want to continue that relationship (Howard & Crompton, 2004). Thus, sport marketers may also want to focus on trying to understand what sport fans are looking for in return for their time and money. Since sport marketers cannot control the outcome of the game, understanding what other type of factors could improve the level of reciprocity for sport fans is important. For example, if sport fans are looking for more opportunities to socialize at games with other fans, the sport organization could set up meeting points at a restaurant or at a particular location within the arena to allow fans to chat and discuss the game.

Commitment was defined as a sport fan's enduring desire to put forth effort into a relationship in order to maintain the relationship with a sports organization (Ross et al., 2006). The results indicated mainstream sport fans who do not have access to a loyalty program were more committed to the sport organization than mainstream sport fans who have access to a loyalty program. While these results did not support Gómez et al. (2006) who found that

supermarket loyalty program users had higher commitment than non-users, this finding did support previous literature that loyalty programs do not build commitment to the organization. Dowling and Uncles (1997) stated that the use of a loyalty program does not build commitment or loyalty to the organization but rather to the loyalty program. Since participants in this study were asked about their commitment to the sport organization and not about the loyalty program, the finding does provide insight that for mainstream sport organizations, the addition of a loyalty program may not actually increase commitment to continue supporting the organization.

Evaluating the demographic statistics of the loyalty program users (Table 4.4), showed that 30% of participants who had access to the loyalty program said they did not actually use the loyalty program. With this in mind, another MANCOVA was conducted without the 30% of participants who did not use the loyalty program. This time the results showed that commitment did not significantly vary between mainstream fans that have access to and mainstream fans who did not have access to a loyalty program. Once again this supports previous literature that loyalty programs may not increase commitment to the organization. However, the use of a loyalty program allows sport marketers to gather an abundant amount of information about sport fans, which in turn can be used to create stronger individualized fan connections. These fan connections are important in the long run as they may be what contributes to higher relationship quality and a stronger overall relationship. Mainstream sport organizations through the use of the loyalty program may have access to this abundant amount of information only if the sport fans actually use the program. Thus, automatic enrollment for the loyalty program for season ticket holders may actually be wasting money for the organization since season ticket holders who in many cases already provide relevant information through their purchase of the tickets may decide not to use the loyalty program.

With regard to the intimacy factor of relationship quality, the results highlighted that mainstream sport fans that do not have access to a loyalty program feel higher levels of intimacy to the sport organization than mainstream sport fans that have access to a loyalty program. Even though intimacy was found to be developed through technology-mediated communication (Froehle & Roth, 2004), the use of the loyalty program does not appear to create a sense of closeness or emotional connection to the sport organization. Even more so, the mainstream sport fans who actively used the loyalty program still had lower intimacy than mainstream sport fans that did not have access to the loyalty program. Lacey et al. (2007) emphasized that when customers receive preferential treatment from an organization it creates an emotional attachment and the relationship is strengthened. For sport marketers to make the loyalty program worth the investment, creating an emotional connection through the loyalty program becomes an important issue. One way they may be able to do this is by evaluating the soft benefits offered to the loyalty program participants. For example, organizations might offer loyalty program members the opportunity to tour the arena before a game or have the chance to shoot a shot in the goal after a match. These soft benefits could help foster a closeness to the organization by blending the technology and interpersonal connections.

The final factor of relationship quality, trust, was not found to be significantly different between mainstream sport fans that have access to the loyalty program and mainstream sport fans that do not have access to the loyalty program. Satisfaction and post positive experiences have been shown to build trust between the organization and customer (Buhler & Nufer, 2010). If the fans that have access to the loyalty program are not satisfied with their interactions with the loyalty program, this could impact their level of trust with the organization. Since trust has been identified numerous times as being a key component of a lasting relationship (Hennig-

Thurau et al., 2002; Kim & Trail, 2011; Morgan & Hunt, 1994), it could be important for sport organizations to evaluate the fan's satisfaction with the loyalty program. With regard to satisfaction, some of the components that should be evaluated are the soft or hard benefits, the level of interaction, communication, and information that is tied to the loyalty program. If one of the goals of using a loyalty program is to increase the relationship with fans, then satisfaction should not just be about rewards.

Research Question 2

To what extent are there differences in fan engagement between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program?

In order to fully capture a relationship marketing approach, the level of a fan's engagement with the organization needs to be measured. When a fan chooses to engage with the sport organization, they are making an emotional, psychological and potentially physical investment (Brodie et al., 2011). Previous research conducted on fan engagement has shown that higher levels of engagement with a sport organization leads to increases in purchase and referral intentions (Williams & Chinn, 2010). While it is important to understand what higher levels of fan engagement can lead to, it is just as important to understand what can lead to higher levels of fan engagement. This study sought to explore if the use of a loyalty program made an impact on fan engagement.

The results of the study indicated that having access to a loyalty program did not significantly impact mainstream sport fans' level of engagement with the organization. Loyalty programs in how they are designed, try to foster engagement as the goal is to bring fans in by offering benefits and incentives when they interact. These results provide insight that the cost of

running a loyalty program may not be worth it for mainstream sport organizations, as sport fans with access to a loyalty program did not significantly differ than sport fans that did not have access to the loyalty program on fan engagement. Sport marketers should evaluate what interaction tools they are using to engage with their fans and determine if there are other options that they are missing or not using enough. For instance, open conversation and feedback through Facebook or Instagram have been shown to be important (Heinonen, 2011), thus organizations could reward fans for engaging through social media. Other examples may include providing an incentive through the loyalty program for fans who attend away games by engaging with them in person or at a dinner before or after the game.

Further analysis was conducted to determine which of the fan engagement factors were different between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program. The three factors of fan engagement Yoshida et al. (2014) defined were management cooperation, prosocial behavior, and performance tolerance. The results indicated that mainstream sport fans that do not have access to a loyalty program had higher performance tolerance than mainstream sport fans that have access to the loyalty program. This is not consistent with previous literature as loyalty program users have been found to be less sensitive to negative aspects of the organization (Verhoef, 2003). Scott Loft of the OKC Thunder highlighted that at some point teams are going to need fans to make a decision with their hearts (Scibetti, 2014); having loyal sport fans that are performance tolerant is important as not every game or season is going to be successful. To be successful with using a loyalty program, sport organizations ought to search for ways to continue engaging with the fans so that performance is not the only reason fans want to continue supporting the organization.

The results also showed that there were not significant differences between mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program for management cooperation and prosocial behavior. Management cooperation measured the fans' willingness to work with and provide feedback to the sport organization. The advantage of having a loyalty program should make it easier to collect information and feedback as fans have a readily available avenue to reach the organization. Sport marketers that are handling the loyalty program should make sure that it is easy for fans to provide feedback through the loyalty program and have the option to incentivize fans for completing surveys or feedback questionnaires.

Rosenbaum (2008) found that loyalty programs that provide opportunities for social interaction elicit social participation, feedback, and guidance. Thus, sport organizations that have loyalty programs should look to provide avenues for their fans to connect socially with other fans. This could include hosting loyalty program member only events throughout the season and off season, creating special message boards for only program members, or simply incentivizing fans to partake in social activities by allowing them to earn points by doing so.

Similar to relationship quality, the fact that 30% of the participants who had access to and were members of a sport loyalty program chose not to use the loyalty program impacted the factors of fan engagement. While there was no significant difference between loyalty program users and sport fans who did not have access to the loyalty program for overall fan engagement, significant differences were found for management cooperation, prosocial behavior, and performance tolerance. Mainstream sport fans that have access to a loyalty program had higher management cooperation and performance tolerance than mainstream sport fans who do not have access to a sport loyalty program. These results indicate that the use of a loyalty program for

sport organizations may facilitate higher feedback and fans are shown to be more willing to work with the organization to have successful events.

In addition, sport fans that use the loyalty program are potentially more tolerant to poor performance and supporting the team through poor performance. This information could be helpful for sport marketers as they search for ways to get their loyalty program users to actually engage in and use the loyalty program there could positive benefits towards the relationship. The results also indicated that mainstream sport fans that do not have access to a loyalty program have higher prosocial behavior than mainstream sport fans that use the loyalty program. This supports Girginov, Taks, Boucher, and Holman (2009), that even though the organization has the technology, they may not be using it properly. Thus, sport organizations that use a loyalty program should continue searching out proper ways to facilitate fan interactions and communication.

Research Question 3

To what extent are there differences in relationship quality between niche and mainstream sport fans that have access to a loyalty program?

Another purpose of this study was to evaluate differences across the levels of sport, specifically niche and mainstream. As previous literature identified numerous differences across the niche and mainstream levels of sport (e.g. Dwyer et al., 2016; Greenhalgh et al., 2011; Miloch & Lambrecht, 2006), it was imperative to see if a loyalty program impacted these sport fans differently. While Pritchard and Negro (2001) found that the use of a loyalty program on MLB fans increased the relationships a fan had with the team and sponsors, there had been no further research exploring this topic. The results of this study indicated that niche sport fans that have access to a loyalty program had higher overall relationship quality than both simple and

complex mainstream loyalty program participants. Since niche sport organizations are much smaller than mainstream sport organizations, they are tasked with creating their own publicity, market share, and fan base in order to be successful (Greenhalgh et al., 2011). Thus, even though the investment for niche sport organizations may be riskier than mainstream sport organizations, the investment may be worth it in the long run in if it creates lasting relationships. Greenhalgh et al. (2011) highlighted that niche organizations can lack direction which makes finding an ideal fan base harder. Sport marketers for niche sport organizations may be able to use this finding to help establish ways in building a strong loyal fan base. If the marketers are able to entice the sport fans to sign up for the loyalty program by offering an incentive, they have a chance of maintaining a lasting relationship with the fan by interacting through the loyalty program.

To further investigate why the niche sport fans that have access to a loyalty program had higher relationship quality, the factors of relationship quality were examined. The results showed that there were significant differences on the factors of trust and intimacy. In fact, niche sport fans that have access to a loyalty program had higher trust and intimacy than mainstream sport fans that have access to a loyalty program. Niche sport fans may feel that since they have more access to the organization and can relate more to the athletes (Greenhalgh et al., 2011), they can put more trust in and feel more intimate with the organization. Having that level of person-ability can create a feeling of closeness and transparency. Sport marketers of niche organizations can work towards maintaining a high level of trust by providing as much relevant and interesting information on the loyalty program. By incorporating the loyalty program as a way to maintain trust and intimacy, the organization may have the capabilities to offer many incentives for sport fans while also providing up-to-date relevant information.

Subsequently, for mainstream sport organizations that have a larger fan base, it may be harder for the organization to make each individual fan feel as close to the organization resulting in lower intimacy and trust. For sport marketers of mainstream sport organizations to build trust or intimacy with the fans, they could perhaps look to learn from niche sport organizations and make their professional athletes more relatable by showing their personal side and allowing fans to get to know them personally. This may have been demonstrated when comparing the niche sport fans with the complex mainstream loyalty program participants. Since the complex loyalty programs offer more way to engage with the loyalty program, the participants could potentially feel they have a better understanding of the organization.

The results also did not show a significant difference between the factors of commitment, identification, and reciprocity between the niche sport fans and mainstream sport fans that had access to a loyalty program. Both the niche and mainstream sport fans appeared to be highly committed to their respective sport organizations which can be encouraging for the organizations when looking to develop strong relationships. Identification measured the connectedness and emotional involvement fans felt with the sport organization. These findings do not support previous literature by Pritchard and Negro (2001) who found that the use of a loyalty program impacted the levels of fan identification with the team. Since the sport fans were asked about their identification with the organization that they used the loyalty program with, it is understandable that both niche and mainstream sport fans felt high identification.

Significant differences between niche and mainstream sport fans may not have been found for reciprocity since all fans did not feel very high levels of reciprocity. The means for reciprocity for both groups were only in the four out of seven range. This indicates that even with the use of a loyalty program, the niche and mainstream fans may not have felt that they were

receiving and equal amount in return for what they were giving to the organization. As Tripathi (2009) explained, the struggle when dealing with customers is making the customer feel the time, money, and commitment is worthy of the organization. Thus, sport marketers of both niche and mainstream organizations are presented with an opportunity where they could focus on what their fans are looking for in return for contributing time and money to the organizations. As discussed earlier, sport marketers do not have any control over the outcome of the game, and thus should to work on providing fans other benefits. These benefits could be as simple as offering new ways to earn points through the loyalty program to offering new experiences as part of the rewards system.

Research Question 4

To what extent are there differences in fan engagement between niche and mainstream sport fans that have access to a loyalty program?

The final research question examined if niche sport fans differed from mainstream sport fans on fan engagement based on the use of a loyalty program. As engagement is a tool for creating and enhancing relationships (Brodie et al., 2011), a comparison between niche and mainstream sport fans that have access to a loyalty program is needed to fully understand if a relationship marketing strategy using a loyalty program is an effective tool for sport organizations. The results revealed that niche sport fans that have access to a loyalty program did not significantly differ on fan engagement than mainstream sport fans that have access to a loyalty program. This finding may be important for niche sport organizations who may not have a lot of money to waste implementing a loyalty program when it may not work to increase their levels of engagement. Since there were not significant differences found between the niche and mainstream participants, the loyalty program may have increased the mainstream sport fans level

of identification based on the idea that the niche sport fans were all season ticket holders whose levels of engagement may have been higher previous to the use of the loyalty program.

Examining the three factors of fan engagement showed that there were significant differences across management cooperation and performance tolerance. Niche sport fans that have access to a loyalty program had higher management cooperation and performance tolerance. The higher management cooperation may be promising for niche sport organizations as the significant difference occurred against both simple and complex mainstream loyalty programs. Wanting to ensure a successful event may become a more personal goal for the niche sport fans as they have more trust and intimacy with the niche sport organization. Additionally, niche sport fans may feel that they have to take on a larger role in keeping the sporting events successful as there are not as many fans attending the events or searching for information.

This may also help explain why niche sport fans have higher performance tolerance than mainstream sport fans that have access to a loyalty program. More specifically, niche sport fans were significantly different from simple mainstream loyalty program participants. This result supports previous research by Dwyer et al. (2016) who found that niche sport fans chose to advertise their affiliation to the sport more so than mainstream sport fans. It is important for niche sport organizations that niche sport fans continue supporting the organization especially when there is an unsuccessful period as there are not an abundant number of fans always trying to see a game or purchase merchandise. Complex mainstream loyalty program participants may not have significantly differed from niche sport organizations since the program is designed to offer more rewards especially for attending games possibly leading to participants supporting the team even through poor performance.

On the other hand, a significant difference was not found between the groups on the factor of prosocial behavior. While Rosenbaum (2008) found that loyalty program participants promote social behavior with other participants, this study found that the amount of social behavior does not differ among sport levels. Since mainstream sport fans have access to a larger network of fans who support the same organization, one may assume it is easier for these mainstream sport fans to connect with other fans than for niche sport organizations. However, niche sport fans may find it easier to connect with other fans as there are not as many fans to contend with. More so, niche sport fans may be more centrally located to the sport organization, making it easier to connect with other fans. On the other hand, sport fans of mainstream sport organizations are more dispersed all over the country (Fain, 2013), making it potentially harder to communicate and connect with other fans. For niche and mainstream sport organizations, the sport marketers may need to work harder to facilitate conversations by incentivizing fans for connecting with other fans either in person or through social media. One strategy sport marketers can implement to increase the prosocial behavior of their fans is to start the discussion and incentivize fans for then joining into the discussion.

Theoretical Implications

Even though the importance of building a relationship between sport fans and sport teams has been emphasized (Gladden & Funk, 2002), there was a lack of research on the effectiveness of how relationship marketing can be evaluated. The results of this study attempt to provide theoretical implications that may help further advance the use of a loyalty program within the relationship marketing framework. Building off of the notion by Dowling and Uncles (1997) that loyalty programs are not effective, this study sought to explore if loyalty programs could be effective for building relationship quality and fan engagement under a relationship marketing

framework. This extends the research on both loyalty programs and relationship marketing within the sport management literature as they had never been examined together previously. As it pertains to relationship marketing, this study sought to explore both relationship quality and fan engagement jointly. Previous literature examining relationship marketing either viewed it from a relationship quality lens (Kim & Trail, 2011) or a fan engagement lens (Vivek et al., 2010) This study used both multidimensional factors to explain how a relationship marketing strategy may be effective at building lasting relationships.

Following other sport management studies (e.g., Kim et al., 2011b; Kim et al., 2011a), the SCTRQS was found to be a valid and reliable instrument for measuring relationship quality in sport. Much of the previous research conducted on relationship quality used relationship quality differences in sport fans to explain other behavioral or attitudinal outcomes. For example, Kim et al. (2011a) found that relationship quality explained large portions of sport fans' intentions to attend, consume media, and purchase merchandise. This study took a different approach, rather than using relationship quality to try and explain another outcome, the goal was to explore if the use of a loyalty program could potentially influence fans' level of relationship quality. The results highlight an additional avenue within the relationship quality literature in sport that did not focus on social media as the interaction tool (e.g., Achen, 2016; Shreffler, 2015; Williams & Chinn, 2010). Accordingly, additional research on relationship quality should focus on addressing if relationship quality is the mediating step between loyalty programs and other behavioral or attitudinal outcomes.

The results of this study also help to extend previous literature on fan engagement by using fan engagement as the dependent variable rather than the catalyst for a different behavioral or attitudinal outcome. The fan engagement scale used in this study was adapted from Yoshida et

al. (2014) who defined fan engagement from a relational rather than behavioral viewpoint. The results of this study confirmed that the scale is reliable and valid for capturing fan engagement across different sport samples. More so, the fan engagement scale had previously been used as the predictor variable to purchase and referral intentions. By treating fan engagement as the dependent variable, this study sought to determine if loyalty programs could potentially increase sport fans level of fan engagement.

Building off of previous literature on niche and mainstream sport fans, this study similarly found differences between fans of the different levels. Previous studies examined attributes that distinguish mainstream and niche sport fans (Greenhalgh et al. 2011), dispositional and behavioral differences between mainstream and niche sport fans (Dywer et al., 2016), and sport consumer awareness of sponsorships across niche and mainstream sports (Miloch & Lambrecht, 2006). Similar to the results of the aforementioned studies, niche and mainstream sport fans were found to have different relationship quality potentially attributed through the use of loyalty programs.

Consistent with Dowling and Uncles (1997) claim that loyalty programs are not effective, this study found that when comparing fans of the same sport level, the loyalty program did not appear to potentially have an impact on relationship quality. On the other hand, the loyalty program did appear to possibly impact the level of relationship quality across the sport levels. However, the exploration of fan engagement highlighted that loyalty programs do not appear to increase sport fans level of engagement for either sport levels. Thus, the potential effectiveness of loyalty programs for mainstream and niche sport organizations needs further inquiry to continue exploring for their effectiveness.

Practical Implications

The results of this study provide sport marketers with information of the potential effectiveness of loyalty programs with regards to relationship quality and fan engagement. With over 40% of sport organizations investing in using a loyalty program, sport marketers need to consider the implications of whether a loyalty program is effective in building relationships and engagement with their fans. Furthermore, by having more information about the factors that lead to a stronger relationship or enhanced engagement, sport organizations can work towards offering activities and incentives in which sport fans are actually interested. As the results indicated, mainstream loyalty program participants that were season ticket holders were found to have similar levels of relationship quality with mainstream loyalty program participants that were not season ticket holders. Thus, mainstream loyalty program participants being found to have higher levels of identification and feel more reciprocity compared to mainstream non-loyalty program participants, is a positive sign that the use of the loyalty program can potentially further help develop a stronger relationship. Sport marketers could continue checking in with their fans to ensure they are offering incentives the fans actually desire. Through the loyalty program, sport marketers may also have opportunities to ask for feedback on the activities and rewards and incentivize fans to take the survey to maximize results.

Additionally, the results for all groups did not indicate differences on prosocial behavior. With access to social media at our fingertips, incentivizing sport fans to interact through social media would seem to be simple. However, many organizations that promote social media interaction for points, simply reward sport fans for liking or following the organization on social media. Once the sport fan follows the organization on social media, there are no requirements to continue interacting with the organization or other fans. This is one area of engagement that sport

marketers could reevaluate to determine if the loyalty program is the best place to foster prosocial behavior amongst fans. Instead of simply encouraging a fan to like or follow a sport organization's page, the organizations can incentivize continued engagement through the social media pages. For example, sport marketers can use social media tracking to require fans to interact six times before they receive any reward. By requiring a set number of interactions, fans will be more likely to continue the discussion even after they have received the incentive.

Since niche and mainstream season ticket holders were not found to be different on the variables of relationship quality and fan engagement, the result that overall fan engagement is not significantly different for loyalty program participants is discouraging as to the potential impact a loyalty program could have on the overall relationship. Even more so, mainstream loyalty program participants were not found to have higher relationship quality as it compared to the mainstream non-loyalty program participants and the niche loyalty program participants. As such, sport marketers may want to focus on strategies to build commitment and enhance engagement with the organization and not the loyalty program. Dowling and Uncles (1997) highlight that by rewarding certain behavior, consumers are building a relationship to the program and the rewards and not to the organizations offering the rewards. One strategy sport marketers could potentially use to ensure that the commitment is to the organization and not the loyalty program is to offer engagement activities or rewards that allow sport fans to get to know the organization better. If the sport fans have a connection to the organization beyond the product put on the court, the organization will have a better chance of maintaining the fans long term. For example, the sport organization could work with a local charity and offer loyalty program members incentives to participate in community service for these organizations. Through the bonding experience of performing community service in their local city through the sport

organization, sport fans may develop an emotional connection to the team making them feel not only more intimate and committed but also may support the organization through tough times to ensure they succeed in the long run.

Recommendations for Future Research

Opportunities for related future research arose based on the results of this study and the review of literature. Additionally, the lack of information on the use of loyalty programs as a relationship marketing strategy calls for more research into the many aspects related to the use of loyalty program in sport. Future studies can attempt to explore the limitations of this study while also moving literature forward by incorporating other aspects.

Future research should examine relationship quality and fan engagement through the use of a loyalty program with a more diverse sample of professional sport teams. A limitation of this study was that the niche sport fans that have access to the loyalty program and the mainstream sport fans that do not have access to the loyalty program were each only from one team. Niche professional sports as defined by Miloch and Lambrecht (2006) include four categories of niche sports. This study only used one professional women's basketball team to represent the niche sport fans. Additionally, the mainstream sport fans that do not have access to a loyalty program were all from one professional men's basketball team. Future studies should include multiple niche sport organizations that have access to a loyalty program and mainstream sport organizations that do not have access to a loyalty program as fans of different sport organizations may all have different relationships with the organizations.

This current study focused on niche and mainstream professional sport teams in North America. However, the use of loyalty programs can be found in sport organizations all over the world. Future research should take an interest in the purpose of a loyalty program, how, and why

they are used for sport organizations in other parts of the world. A comparison of the use of loyalty programs in North America to other countries sport leagues would provide a more rounded picture of loyalty program in the sport industry.

Comparisons examining the impact loyalty programs have on relationships in the future should take into consideration season ticket holders versus non-season ticket holders. To be a member of the niche sport organizations loyalty program in this study, the fans had to be season ticket holders or associated with a season ticket account. As the results showed, there were differences across the season ticket holders and non-season ticket holders on the variable of fan engagement. While one strategy sport organizations may choose to use to keep costs down is limiting the number of members of the loyalty program, it is important to understand if the loyalty program could be better used for non-season ticket holders who are not already engaged with the sport organization. Future studies may want to examine if being a season ticket holder is a contributing factor to the potential impact loyalty programs may have on relationship quality and fan engagement.

While sport involvement was not a direct focus of this study, the scale was used as a covariate when comparing differences between the different samples. The sports involvement scale was originally designed to be used for sport participants. This study found that when attempting to use the scale for sport spectators, there were issues. The results of this study found that the sport involvement scale adapted from Beaton et al. (2011) needed modification in order to be valid and reliable. Future studies looking to incorporate sport involvement especially with sport spectators should take a step backwards and reevaluate the items and factors that make up sport involvement. The multicollinearity between items of hedonic and centrality which were

found to be worded very similar should be especially considered as sport fans answered these questions in the exact same manner.

This study found that 30% of the mainstream sport fans that have access to the loyalty program indicated that they did not use the program. In addition, 17% of niche sport fans that have access to the loyalty program indicated they did not use the program. Future research should explore the reasons that sport fans are choosing not to use the loyalty program even though they have access to it. Ashley et al. (2011) found that in other industries there were roadblocks that customers had that limited their desire to use the relationship marketing program. These roadblocks included privacy issues, shopper frequency, and involvement. For sport organizations, it is just as important to understand why sport fans are choosing not to use the loyalty program as to why they are using the program.

The participants that had access to a loyalty program were all members of the loyalty program prior to the start of this study. Future research should examine relationship quality and fan engagement with the organization prior to the implementation of the loyalty program, then measure relationship quality and fan engagement again after the loyalty program has been implemented for some time. This would provide more explanation on the true impact that a loyalty program has on a relationship and engagement.

Loyalty program satisfaction should also be considered in future studies. While the goal of a loyalty program is to build a stronger relationship and increase engagement, these variables may be impacted by the fans' satisfaction with the loyalty program. More so, since the results of this study found that sport fans with access to a loyalty program had higher relationship quality and fan engagement, future studies should look at how loyalty programs in sport impact behavioral and relational factors. Lastly, this study examined sport fans that had access to or did

not have access to a loyalty program, future studies should focus in on the categories of sport fans that actually use or do not use the loyalty program. Previous research has examined the many tiers of a loyalty program and thus research in sport should follow suit and examine if the loyalty program should be divided based on the actual usage of the program.

Summary of the Study

Sport management literature has indicated that sport organizations are facing more competition than ever for fans' discretionary income (Kim & Trail, 2011; Rein et al., 2006). Subsequently, sport organizations must look for new marketing strategies to create lasting relationships. A loyalty program is a marketing tool that encourages relationships and engagement through financial and social rewards (Ha & Stoel, 2014). Through the use of a loyalty program, sport organizations can develop and maintain lasting relationships. Sport organizations are often split into two categories, either mainstream or niche. Mainstream sport organizations are classified as the big four sport leagues including the NBA, NFL, NHL, and MLB and are characterized by large fan bases with widespread media attention. Niche sport organizations are defined as sports that do not classify as mainstream stream and typically do not appeal to a broad audience (Greenhalgh et al., 2011). Therefore, the purpose of this study was to explore if the use of a loyalty program as a relationship marketing strategy could impact sport fans relationship quality and fan engagement with a sport organization.

This study had a total of 678 participants from three different samples representing niche and mainstream sport fans that have access to a loyalty program and mainstream sport fans that do not have access to a loyalty program. Mainstream sport fans that have access to a loyalty program to mainstream sport fans that do not have access to a loyalty program were compared first. Results indicated that mainstream sport fans that have access to a loyalty program had

higher identification and reciprocity. Mainstream sport fans that do not have access to a loyalty program were found to have higher commitment, intimacy, and performance tolerance. Next, mainstream and niche sport fans that have access to a loyalty program were compared. Mainstream sport fans were split into two groups (simple or complex) based on the design of the loyalty programs. Results indicated that that niche sport fans that have access to a loyalty program have higher overall relationship quality, trust, intimacy, management cooperation, and performance tolerance.

Findings suggest that the use of a loyalty program may have an impact on niche sport fans relationship quality with sport organizations. These results can be encouraging for niche sport organizations that are looking to build stronger relationships with their fans as they may want to consider developing a loyalty program. On the other hand, mainstream sport organizations that offer a loyalty program may want to reevaluate their purpose for offering a loyalty program. Many of the factors of relationship quality and fan engagement were not found to be impacted by the use of the loyalty program for mainstream sport organizations. In conclusion, the use of a loyalty program may have the potential to make a significant impact on the relationships and engagement of sport fans if used properly.

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APPENDIX A

PILOT STUDY SCALE CHANGES

| Original Scale Wording | Modified Wording on Final Scale |
|--|---|
| Relationship Quality Scale: | |
| 1. I trust the [team name] | The [team name] have integrity |
| 4. The [team name] remind me of who I am | Being a fan of the [team name] is very important to who I am. |
| 5. The [team name] consistently pay me back when I do something extra for them | The [team name] recognize me when I do something that benefited the team. |
| 6. The [team name] are reliable | As an organization, the [team name] are reliable. |
| 10. The [team name] gives me back equivalent what I give them | The [team name] pay attention to what I get relative to what I give them. |
| 13. I feel as though I really understand the [team name] | I feel as though I truly understand what the [team name] represent. |
| 14. The [team name] and I have a lot in common | Who I am aligns with how I view the [team name]. |
| 15. The [team name] constantly return the favor when I do something good for them | When I do something good for the [team name], they always try to return the favor and do something good for me. |
| Sport Involvement Scale: | |
| 1. Being a fan of the [team name] is fun | Being a basketball fan is fun |
| 2. I find a lot of my life organized around being a fan of the [team name] | I find a lot of my life organized around being a basketball fan |
| 3. Being a fan of the [team name] says a lot about who I am | Being a basketball fan says a lot about who I am |
| 4. Being a fan of the [team name] is one of the most satisfying things that I do | Being a basketball fan is one of the most satisfying things in my life |
| 5. Being a fan of the [team name] plays a central role in my life | Being a basketball fan plays a central role in my life |
| 6. Being a fan of the [team name] tells something about me | Being a basketball fan tells something about me |
| 7. I really enjoy being a fan of the [team name] | I really enjoy being a basketball fan |
| 8. I enjoy discussing the [team name] with others (e.g. friends, family, co-workers, other fans) | I enjoy discussing basketball with others (e.g. friends, family, co-workers, other fans) |
| 9. Being a fan of the [team name] gives others a glimpse of the type of person I am | Being a basketball fan gives others glimpse of the type of person I am |

APPENDIX B

ITEM LOADINGS FOR THE FACTORS OF RELATIONSHIP QUALITY, FAN ENGAGEMENT, AND SPORT INVOLVEMENT

| Factors | <i>M</i> | <i>s</i> ² | <i>SD</i> |
|---|----------|-----------------------|-----------|
| Trust | | | |
| 1. I trust the [team name] | 6.23 | 1.20 | 1.09 |
| 2. The [team name] is reliable | 5.76 | 1.52 | 1.23 |
| 3. I can count on the [team name] | 5.54 | 1.75 | 1.32 |
| Commitment | | | |
| 1. I am committed to the [team name] | 6.41 | 0.96 | 0.98 |
| 2. I am devoted to the [team name] | 6.17 | 1.24 | 1.12 |
| 3. I am dedicated to the [team name] | 6.16 | 1.20 | 1.09 |
| Intimacy | | | |
| 1. I am very familiar with the [team name] | 6.45 | 0.84 | 0.92 |
| 2. I know a lot about the [team name] | 6.17 | 1.03 | 1.01 |
| 3. I feel as though I really understand the [team name] | 5.81 | 1.31 | 1.15 |
| Identification | | | |
| 1. The [team name] reminds me of who I am | 5.58 | 2.29 | 1.51 |
| 2. The [team name] image and my self-image are similar in a lot of ways | 4.93 | 2.26 | 1.50 |
| 3. The [team name] and I have a lot in common | 5.08 | 2.43 | 1.56 |
| Reciprocity | | | |
| 1. The [team name] unfailingly pays me back when I do something extra for it | 4.25 | 2.90 | 1.70 |
| 2. The [team name] gives me back equivalent what I give them | 4.46 | 2.62 | 1.62 |
| 3. The [team name] constantly returns the favor when I do something good for it | 4.32 | 2.65 | 1.63 |
| Management Cooperation | | | |
| 1. I try to work cooperatively with [team name] | 5.14 | 1.90 | 1.37 |
| 2. I do things to make [team name] event management easier | 4.66 | 2.32 | 1.52 |
| 3. The employees of [team name] get my full cooperation | 5.68 | 1.67 | 1.29 |
| Prosocial Behavior | | | |
| 1. I often interact with other fans to talk about issues related to [team name] | 5.50 | 1.95 | 1.40 |
| 2. I often advise other fans on how to support [team name] | 4.64 | 3.27 | 1.81 |
| 3. I spend time on social media sharing information with other fans of [team name] | 4.63 | 4.04 | 2.01 |
| Performance Tolerance | | | |
| 1. I wear apparel which represents the fans of [team name] even if the team has an unsuccessful season. | 6.10 | 1.56 | 1.25 |
| 2. I display the logo of [team name] on my clothing even if [team name] do not perform well | 6.11 | 1.51 | 1.23 |
| 3. I wear clothing that displays the name of [team name] even if [team name] have an unsuccessful season. | 6.15 | 1.54 | 1.24 |
| Sport Involvement (Symbolic Value) | | | |
| 1. Being a fan of [sport] says a lot about who I am | 4.94 | 2.71 | 1.65 |
| 2. Being a fan of [sport] tells something about me | 5.05 | 2.40 | 1.55 |
| 3. Being a fan of [sport] gives others a glimpse of the type of person I am | 5.16 | 2.42 | 1.56 |

APPENDIX C

PEARSON'S *r* CORRELATION MATRIX AND SKEWNESS AND KURTOSIS VALUES

| Variable | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|
| 1. Relationship Quality | 1 | | | | | | | | | | |
| 2. Trust | .78** | 1 | | | | | | | | | |
| 3. Commitment | .78** | .71** | 1 | | | | | | | | |
| 4. Intimacy | .79** | .64** | .81** | 1 | | | | | | | |
| 5. Identification | .77** | .56** | .56** | .64** | 1 | | | | | | |
| 6. Reciprocity | .57** | .28** | .20** | .25** | .45** | 1 | | | | | |
| 7. Fan Engagement | .64** | .46** | .55** | .57** | .58** | .48** | 1 | | | | |
| 8. Management Cooperation | .59** | .43** | .39** | .41** | .50** | .58** | .83** | 1 | | | |
| 9. Prosocial Behavior | .40** | .25** | .35** | .38** | .45** | .41** | .86** | .63** | 1 | | |
| 10. Performance Tolerance | .60** | .49** | .63** | .63** | .51** | .20** | .78** | .46** | .49** | 1 | |
| 11. Symbolic | .34** | .27** | .28** | .34** | .43** | .30** | .41** | .29** | .42** | .29** | 1 |
| Skewness | -4.8* | -9.5* | -10* | -9.4* | -3.7* | -2.6* | -7.0* | -6.1* | -4.4* | -11.9* | -5.9* |
| Kurtosis | 1.7* | 7.5* | 5.0* | 4.6* | -0.9* | -0.6* | 5.4* | 3.9* | 0.12* | 9.7* | 0.7* |

** Correlation is significant at the .01 level (2-tailed).

* Shapiro –Wilk Significant at $p < .001$

APPENDIX D

SURVEY SCRIPT TO PARTICIPANTS

Dear [team name] fan,

You are being invited to participate in a brief online survey that will help us better understand the sport fan-team relationship. This study intends to examine the relationship quality sport fans feel they have with sport teams. As well this study looks to measure the level of fan engagement fans have with a sport team. This survey will provide valuable information for sport marketers in order to understand how to engage with sport fans to meet the needs of basketball sport fans such as yourself.

Please go to the following link to take the online survey:

Relationship Marketing Survey

The survey will only take approximately 10 minutes to fully complete. There are no known risks for your participation in this research study. The researcher will take the necessary steps to maximize confidentiality of all surveys and the anonymity of each respondent. There are no right or wrong answers to the questions. Participation for this survey is completely voluntary and you may refuse to participate or stop taking part at any time without any consequences.

At the end of the survey, by providing your email address in the final question, you will be entered into a drawing for one of three [team name] jerseys. The drawing is optional and you do not have to enter your email address to complete the survey. Email addresses will be kept confidential and only used to contact the drawing winners after data collection is complete.

If you have any questions or concerns about your selection or treatment as a research participant, please contact Lisa Rufer at rufers@vcu.edu. By completing the survey, you are agreeing to take part in this research study.

Thank you for your time and interest in this study.

Lisa Rufer
Doctoral Student
Center for Sport Leadership
Virginia Commonwealth University

APPENDIX E

FOLLOW UP SCRIPT TO PARTICIPANTS

Good Afternoon [team name] fan,

Approximately 2 weeks ago you received an email asking for your participation in an online survey to better understand the sport fan-team relationship.

For those of you who have already completed the survey, thank you for your time and assistance. If you have not yet completed the survey, would you please consider taking 10 minutes to assist up by visiting the following website and completing the survey today? The information gained from this study will help sport marketers understand how to engage with sport fans to meet the needs of basketball sport fans such as yourself.

Don't miss out on the opportunity to be entered into a drawing for one of three [team name] jerseys. Thank you for your time and contribution.

Please go to the following link to take the online survey:

Relationship Marketing Survey

If you have any questions or concerns about your selection or treatment as a research participant, please contact Lisa Rufer at rufers@vcu.edu.

Thank You,

Lisa Rufer
Doctoral Student
Center for Sport Leadership
Virginia Commonwealth University

APPENDIX F

INFORMED CONSENT FORM

Informed Consent Form for Participation in Research Virginia Commonwealth University

Project Title: Loyalty program effectiveness: Examination of mainstream and niche basketball fan-team relationships

Researcher: Lisa Rufer, Center for Sport Leadership, School of Education, Virginia Commonwealth University, rufers@vcu.edu

Advisor: Dr. Brendan Dwyer, Center for Sport Leadership, School of Education, Virginia Commonwealth University, bdwyer@vcu.edu

We request your participation in a study about the basketball sport fan-team relationship. The purpose of this confidential study is to better understand your relationship and engagement with [team name]. Your responses allow teams to better understand the quality of fan relationships to improve future relations. Your cooperation is extremely valuable and is greatly appreciated.

If you choose to complete this survey, you will be asked a series of questions relating to your relationship quality and engagement with [team name]. Please read each question carefully and take your time completing the survey. **While some questions may appear to be repeated, all questions are slightly different and important to answer** You will be asked to rate your level of agreement based on a 7-point scale with anchors of 1 = strongly disagree to 7= strongly agree. There are no correct answers to the questions.

While data from this survey may be published, any identifying information will remain anonymous. There are no foreseeable risks from participating with this study. Participation is completely voluntary and should take approximately 10 minutes to complete the survey. At any point while taking the survey, you are free to stop taking the survey without any consequences. By completing the survey, you are giving consent to participate in the study. Thank you for your time and assistance.

At the end of the survey, should you choose there is a place to input your email address to enter a drawing for one of three [team name] jersey. If you have any questions or concerns please contact Lisa Rufer, rufers@vcu.edu.

By answering this question, you are signifying you have read and understand the above information.

1. Are you 18 years of age or older?
 - a. Yes
 - b. No

APPENDIX G

QUESTIONPRO SURVEY INSTRUMENT

1. Are you a fan of [team name]?

- i. Yes
- ii. No

2. Are you a season ticket holder for [team name]?

- i. Yes
- ii. No

3. During the previous season how many [team name] home games did you attend?

- i. None
- ii. 1-5 games
- iii. 6-20 games
- iv. 21-40 games
- v. 41-60 games
- vi. 61-80 games
- vii. Every game last season

4. Does [team name] have a loyalty program?

- i. Yes
- ii. No

5. Were you invited to participate in the loyalty program for [team name]?

- i. Yes
- ii. No

6. Do you use the loyalty program [team name]?

- i. Yes
- ii. No

7. How often do you use the loyalty program?

Never (1) (2) (3) Sometimes (4) (5) (6) Every Possible Opportunity (7)

Loyalty program

8. Are you a member of any other sport loyalty program(s)?

- i. Yes
- ii. No

9. If yes, which team(s)? _____

10. On a scale from (1) Niche to (7) Mainstream, where do you feel most Americans would place the following?

Mainstream sports typically include having “large fans bases, broad appeal, and widespread media attention” (Greenhalgh, Simmons, Hambrick, & Greenwell, 2011).

Niche sports are defined as sports that do not classify as mainstream and do not appeal to the mass audience. Comparing to mainstream sports, niche sports receive considerably less media attention both at a national and local level and receive less fan support (Schwarzenberger & Hyde, 2013)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|--------------|-----|-----|-----|-----|-----|-----|-----|
| NBA | | | | | | | |
| NBA D-League | | | | | | | |
| WNBA | | | | | | | |
| MLS | | | | | | | |
| NWSL | | | | | | | |
| NFL | | | | | | | |
| MLB | | | | | | | |

11. ** On a scale of 1-7, how much do you agree or disagree with the following statements related to the [team name]?

| | Strongly Disagree (1) | Disagree (2) | Somewhat Disagree (3) | Undecided (4) | Somewhat Agree (5) | Agree (6) | Strongly Agree (7) |
|---|-----------------------|--------------|-----------------------|---------------|--------------------|-----------|--------------------|
| 1. The [team name] have integrity. | | | | | | | |
| 2. I am committed to the [team name] | | | | | | | |
| 3. I am very familiar with the [team name] | | | | | | | |
| 4. Being a fan of the [team name] is very important to who I am | | | | | | | |
| 5. The [team name] recognize me when I do something that benefits the team. | | | | | | | |

12. ** On a scale of 1-7, how much do you agree or disagree with the following statements related to the [team name]?

Strongly Disagree (1) Disagree (2) Somewhat Disagree (3) Undecided (4) Somewhat Agree (5) Agree (6) Strongly Agree (7)

6. The [team name] are reliable

7. I am devoted to the [team name]

8. I know a lot about the [team name]

9. The [team name] image and my self-image are similar in a lot of ways

10. The [team name] pay attention to what I get from them relative to what I give them

13. ** On a scale of 1-7, how much do you agree or disagree with the following statements related to the [team name]?

Strongly Disagree (1) Disagree (2) Somewhat Disagree (3) Undecided (4) Somewhat Agree (5) Agree (6) Strongly Agree (7)

11. I can count on the [team name]

12. I am dedicated to the [team name]

13. I feel as though I truly understand what the [team name] represent

14. Who I am aligns with how I view the [team name]

15. When I do something good for the [team name], they always try to return the favor and do something good for me

14. ** On a scale of 1-7, how much do you agree or disagree with the following statements related to the [team name]?

Strongly Disagree (1) Disagree (2) Somewhat Disagree (3) Undecided (4) Somewhat Agree (5) Agree (6) Strongly Agree (7)

1. I try to work cooperatively with the [team name]?
2. I often interact with other fans to talk about issues related to the [team name]?
3. I wear apparel which represents the [team name] even if the team has an unsuccessful season
4. I do things to make the [team name] event management easier
5. I often advise other fans on how to support the [team name]

15. ** On a scale of 1-7, how much do you agree or disagree with the following statements related to the [team name]?

Strongly Disagree (1) Disagree (2) Somewhat Disagree (3) Undecided (4) Somewhat Agree (5) Agree (6) Strongly Agree (7)

6. I display the logo of the [team name] even if the [team] do not perform well
7. The employees of the [team name] get my full cooperation
8. I spend time on social media sharing information about the [team name]
9. I wear clothing that displays the name or logo of the [team name] even if the [team] have an unsuccessful season

16. ** On a scale of 1-7, how much do you agree or disagree with the following statements related to the [team name]?

Strongly Disagree Disagree Somewhat Disagree Undecided Somewhat Agree Agree Strongly Agree

1. Being a [sport] fan is fun
2. I find a lot of my life organized around being a [sport] fan
3. Being a [sport] fan says a lot about who I am

- Strongly Disagree Disagree Somewhat Disagree Undecided Somewhat Agree Agree Strongly Agree
4. Being a [sport] fan is one of the most satisfying things in my life
5. Being a [sport] fan plays a central role in my life
6. Being a [sport] fan tells something about me
7. I really enjoy being a [sport] fan
8. I enjoy discussing [sport] with others (e.g. friends, family, co-workers, other fans)
9. Being a [sport] fan gives others a glimpse of the type of person I am

17. What is your current gender identity?

- Male
- Female
- Trans Male/Trans Man
- Trans Female/Trans Woman
- Genderqueer/ Gender Non-Conforming
- Different Identity (please state) _____

18. What is your age? _____

19. What is your marital status?

- Married
- Separated
- Divorced
- Widowed
- Single
- Partnered
- Would rather not say

20. Including yourself, how many people currently live in your household? _____

21. How would you classify yourself? (please select one)

- Asian/Pacific Islander
- Black/African American
- Caucasian/White
- Hispanic
- Multiracial
- Other _____

22. What is the highest level of education you attained?

High School
Vocational Degree
Associates Degree
Bachelors Degree
Masters Degree
Doctoral Degree
Professional Certification
Other _____

23. What is your annual household income before taxes?

Less than \$25,000
\$25,000-\$49,999
\$50,000-\$74,999
\$75,000-\$99,999
\$100,000-\$124,999
\$125,000-\$149,999
\$150,000 or More
Would rather not say

Thank you for your time!

If you would like to be entered into the drawing for one of the [team] autographed prizes, please enter your name and e-mail address below. Your name and e-mail address will be kept confidential and will not be linked to your survey responses.

Name:

Email address: _____

APPENDIX H

QUALTRICS SURVEY INSTRUMENT

Qualifying Questions:

1. Are you a fan of a team for for one of the Big 4 professional sport league teams (National Basketball Association, Major League Baseball, National Football League, National Hockey League)?
 - Yes
 - No

Skip To: End of Block If Are you a member of a loyalty program for one of the Big 4 professional sport league teams (Fan = No)

2. Are you a member of a loyalty program for one of the Big 4 professional sport league teams National Basketball Association, Major League Baseball, National Football League, National Hockey League)?

A loyalty program is a marketing tool used to provide financial and social rewards for fans that engage with the sport organization. A part of the loyalty program is earning points for spending money, liking/sharing on social media, listening/watching away games, and more.

- Yes
- No

Skip To: End of Block If Are you a member of a loyalty program for one of the Big 4 professional sport league teams (Loyalty = No)

3. What league does the team you are a loyalty program member of fall under?
 - National Basketball Association (NBA)
 - National Football League (NFL)
 - National Hockey League (NHL)
 - Major League Baseball (MLB)

Display This Question:

If What league does the team you are a loyalty program member of fall under? = National Basketball Association (NBA)

4. For which National Basketball Association (NBA) team are you a loyalty program member?

Display This Question:

If What league does the team you are a loyalty program member of fall under? = National Football Association (NFL)

5. For which National Football League (NFL) team are you a loyalty program member?

Display This Question:

If What league does the team you are a loyalty program member of fall under? = National Hockey League (NHL)

6. For which National Hockey League (NHL) team are you a loyalty program member?

Display This Question:

If What league does the team you are a loyalty program member of fall under? = Major League Baseball (MLB)

7. For which Major League Baseball (MLB) team are you a loyalty program member?

Display the following Questions: With the appropriate piping of the team selected from the four questions above.

8. Are you a season ticket holder for the {Team Piping}?

- Yes
- No

9. During the previous season how many {NBA Team Piping} home games did you attend?

- None
- 1-10
- 11-20
- 21-30
- 31-41
- Every game last season (42)

During the previous season how many {NFL Team Piping} home games did you attend?

- None
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8

During the previous season how many {NHL Team Piping} home games did you attend?

- None (1)
- 1-10 (2)
- 11-20 (3)
- 21-30 (4)
- 31-41 (5)

During the previous season how many {MLB Team Piping} home games did you attend?

- None (1)
- 1-10 (2)
- 11-20 (3)
- 21-30 (4)

- 31-40 (5)
- 41-50 (6)
- 51-60 (7)
- 61-70 (8)
- 71-81 (9)

10. Do you use the {Team Piping} Loyalty program benefits?

- Yes (1)
- No (2)

11. How often do you use the {Team Piping} loyalty program benefits?

Never (1) (2) (3) Sometimes (4) (5) (6) Every Possible Opportunity (7)

Loyalty program

12. Are you a member of any other loyalty programs?

- Yes (1)
- No (2)

13. Which Teams? _____

14. On a scale from Niche to Mainstream, where do you feel most Americans would place the following?

Mainstream sports typically include having “large fans bases, broad appeal, and widespread media attention” (Greenhalgh, Simmons, Hambrick, & Greenwell, 2011).

Niche sports are defined as sports that do not classify as mainstream and do not appeal to the mass audience. Comparing to mainstream sports, niche sports receive considerably less media attention both at a national and local level and receive less fan support (Schwarzenberger & Hyde, 2013)

(1) (2) (3) (4) (5) (6) (7)

NBA

NBA D-League

WNBA

MLS

NWSL

NFL

MLB

15. **On a scale of 1-7, how much do you agree or disagree with the following statements related to the {Team Piping}.

Strongly Disagree (1) Disagree (2) Somewhat Disagree (3) Undecided (4) Somewhat Agree (5) Agree (6) Strongly Agree (7)

1. The {Team Piping} have integrity.

Strongly Disagree (1) Disagree (2) Somewhat Disagree (3) Undecided (4) Somewhat Agree (5) Agree (6) Strongly Agree (7)

2. I am committed to the {Team Piping}

3. I am very familiar with the {Team Piping}

4. Being a fan of the {Team Piping} is very important to who I am

5. The {Team Piping} recognize me when I do something that benefits the team.

16. **On a scale of 1-7, how much do you agree or disagree with the following statements related to the {Team Piping}.

Strongly Disagree (1) Disagree (2) Somewhat Disagree (3) Undecided (4) Somewhat Agree (5) Agree (6) Strongly Agree (7)

6. The {Team Piping} are reliable

7. I am devoted to the {Team Piping}

8. I know a lot about the {Team Piping}

9. The {Team Piping} image and my self-image are similar in a lot of ways

10. The {Team Piping} pay attention to what I get from them relative to what I give them

17. **On a scale of 1-7, how much do you agree or disagree with the following statements related to the {Team Piping}.

Strongly Disagree (1) Disagree (2) Somewhat Disagree (3) Undecided (4) Somewhat Agree (5) Agree (6) Strongly Agree (7)

11. I can count on the {Team Piping}

12. I am dedicated to the {Team Piping}

Strongly Disagree (1) Disagree (2) Somewhat Disagree (3) Undecided (4) Somewhat Agree (5) Agree (6) Strongly Agree (7)

13. I feel as though I truly understand what the {Team Piping} represent

14. Who I am aligns with how I view the {Team Piping}

15. When I do something good for the {Team Piping}, they always try to return the favor and do something good for me

18. **On a scale of 1-7, how much do you agree or disagree with the following statements related to the {Team Piping}.

Strongly Disagree (1) Disagree (2) Somewhat Disagree (3) Undecided (4) Somewhat Agree (5) Agree (6) Strongly Agree (7)

1. I try to work cooperatively with the {Team Piping}?

2. I often interact with other fans to talk about issues related to the {Team Piping}?

3. I wear apparel which represents the {Team Piping} even if the team has an unsuccessful season

4. I do things to make the {Team Piping} event management easier

5. I often advise other fans on how to support the {Team Piping}

19. **On a scale of 1-7, how much do you agree or disagree with the following statements related to the {Team Piping}.

Strongly Disagree (1) Disagree (2) Somewhat Disagree (3) Undecided (4) Somewhat Agree (5) Agree (6) Strongly Agree (7)

6. I display the logo of the {Team Piping} even if the {Team Piping} do not perform well

7. The employees of the {Team Piping} get my full cooperation

Strongly Disagree (1) Disagree (2) Somewhat Disagree (3) Undecided (4) Somewhat Agree (5) Agree (6) Strongly Agree (7)

8. I spend time on social media sharing information about the {Team Piping}

9. I wear clothing that displays the name or logo of {Team Piping} even if the {Team Piping} have an unsuccessful season

20. **On a scale of 1-7, how much do you agree or disagree with the following statements related to being a sports fan.

Strongly Disagree Disagree Somewhat Disagree Undecided Somewhat Agree Agree Strongly Agree

1. Being a [sport] fan is fun

2. I find a lot of my life organized around being a [sport] fan

3. Being a [sport] fan says a lot about who I am

4. Being a [sport] fan is one of the most satisfying things in my life

5. Being a [sport] fan plays a central role in my life

6. Being a [sport] fan tells something about me

7. I really enjoy being a [sport] fan

8. I enjoy discussing [sport] with others (e.g. friends, family, co-workers, other fans)

9. Being a [sport] fan gives others a glimpse of the type of person I am

21. What is your current gender identity?

- Male (1)
- Female (2)
- Trans Male/Trans Man (3)
- Trans Female/Trans Woman (4)
- Genderqueer/ Gender Non-Conforming (5)
- Different Identity (please state) (6) _____

22. What is your age? _____

23. What is your marital status?

- Married (1)
- Separated (2)
- Divorced (3)
- Widowed (4)
- Single (5)
- Partnered (6)
- Would rather not say (7)

24. Including yourself, how many people currently live in your household? _____

25. How would you classify your ethnicity (please select one)?

- Asian/Pacific Islander (1)
- Black/African American (2)
- Caucasian/White (3)
- Hispanic (4)
- Multiracial (5)
- Other (6) _____

26. What is the highest level of education you have attained?

- High school (1)
- Vocational college (2)
- Associates degree (3)
- Bachelor's degree (4)
- Master's degree (5)
- Doctoral degree (6)
- Professional degree (7)
- Other (8) _____

27. What is your annual household income before taxes?

- Less than \$25,000 (1)
- \$25,000 - \$49,999 (2)
- \$50,000 - \$74,999 (3)
- \$75,000 - \$99,999 (4)
- \$100,000 - \$129,999 (5)
- \$125,000 - \$149,999 (6)
- \$150,000 - \$169,999 (7)
- \$175,000- \$199,999 (8)
- \$200,000 - \$224,999 (9)
- \$225,000- \$249,999 (10)
- \$250,000 or more (11)
- Would rather not say (12)

APPENDIX I

MAINSTREAM SPORT LEAGUES TEAM BREAKDOWN

| Teams | Rewards Structure | Classification |
|--|--|----------------|
| Niche Loyalty Program | | |
| WNBA Team Representative (n =1) | Open to STH Ways to EARN: Purchases REWARDS Offered: VIP experiences, merchandise, and tickets | Simple |

| Teams | Rewards Structure | Classification |
|--------------------------------|--|----------------|
| NBA Teams (n = 49) | | |
| Brooklyn Nets (n = 3) | Open to all fans Ways to EARN: Information gathering, Social Media Interaction REWARDS Offered: VIP experiences, merchandise, and tickets | Complex |
| Chicago Bulls (n = 19) | Open to all fans Ways to EARN: Purchases, Social Media Interaction REWARDS Offered: VIP experiences, merchandise, and tickets | Complex |
| Denver Nuggets (n = 3) | Open to STH only Ways to EARN: Purchases (tickets only) REWARDS Offered: Tickets, VIP experiences, merchandise | Simple |
| Detroit Pistons (n = 9) | Open to STH only Ways to EARN: Purchases, Information gathering, Social Media Interaction, Promotional Codes REWARDS Offered: VIP experiences, merchandise | Complex |
| Golden State Warriors (n = 14) | Open to all fans Ways to EARN: Purchases (tickets) REWARDS Offered: VIP experiences, merchandise | Simple |
| New Orleans Pelicans (n = 1) | Open to STH only Ways to EARN: Purchase (tickets only) REWARDS Offered: VIP experiences, merchandise | Simple |

| NFL Teams (n = 102) | Rewards Structure | Classification |
|----------------------------|-------------------|----------------|
|----------------------------|-------------------|----------------|

| | | |
|-------------------------------|--|---------|
| Buffalo Bills (n = 6) | Open to all fans Ways to EARN: Promotional Codes REWARDS Offered: VIP experiences, merchandise | Simple |
| Chicago Bears (n = 11) | Open to STH only Ways to EARN: Purchases REWARDS Offered: VIP experiences, merchandise | Simple |
| Indianapolis Colts (n = 3) | Open to all fans Ways to EARN: Purchases REWARDS Offered: VIP experiences, merchandise | Simple |
| Kansas City Chiefs (n = 4) | Open to all fans Ways to EARN: Purchases, Information gathering, Social Media Interaction REWARDS Offered: Merchandise | Simple |
| Miami Dolphins (n = 8) | Open to STH only Ways to EARN: Purchases, Promotional Codes REWARDS Offered: VIP experiences | Simple |
| Minnesota Vikings (n = 3) | Open to all fans, STH automatically enrolled Ways to EARN: Information gathering, Social Media Interaction, Promotional Codes REWARDS Offered: VIP experiences, merchandise | Complex |
| New England Patriots (n = 20) | Open to STH members and wait list members Ways to EARN: Purchases REWARDS Offered: Money Back | Simple |
| New Orleans Saints (n = 3) | Open to STH only, automatically enrolled Ways to EARN: Purchases, Promotional Codes REWARDS Offered: VIP experiences, merchandise, and tickets | Complex |
| New York Jets (n = 5) | Open to STH only, automatically enrolled Ways to EARN: Purchases, Information gathering, Social Media Interaction, Promotional Codes REWARDS Offered: VIP experiences, merchandise | Complex |
| Oakland Raiders (n = 4) | Open to all fans Ways to EARN: Purchases, Information gathering, Social Media Interaction, Promotional Codes REWARDS Offered: VIP experiences, merchandise, and tickets | Complex |
| Pittsburgh Steelers (n = 23) | Open to all fans Ways to EARN: Purchases, Information gathering, Promotional Codes REWARDS Offered: VIP experiences, merchandise | Complex |
| San Francisco 49ers (n = 12) | Open to all fans Ways to EARN: Purchases, Promotional Codes REWARDS Offered: VIP experiences, merchandise | Complex |

| NHL Teams (n = 21) | Rewards Structure | Classification |
|-----------------------------|--|----------------|
| Arizona Coyotes (n = 1) | Open to all fans Ways to EARN: Purchases, Promotional Codes REWARDS Offered: VIP experiences, merchandise, and tickets | Complex |
| Buffalo Sabres (n = 1) | Open to all fans Ways to EARN: Purchases, Promotional Codes REWARDS Offered: VIP experiences, merchandise, and tickets | Complex |
| Chicago Blackhawks (n = 6) | Open to STH only Ways to EARN: Purchases, Promotional Codes REWARDS Offered: VIP experiences, tickets | Complex |
| Colorado Avalanche (n = 1) | Open to STH only Ways to EARN: Purchase, Information gathering, Social Media Interaction REWARDS Offered: VIP experiences, merchandise | Complex |
| Los Angeles Kings (n = 1) | Open to STH only Ways to EARN: Purchases, Information gathering, Social Media Interaction REWARDS Offered: VIP experiences, merchandise | Complex |
| Minnesota Wild (n = 2) | Open to all fans, STH automatically enrolled Ways to EARN: Purchases, Information gathering, Social Media Interaction, Promotional Codes REWARDS Offered: VIP experiences, merchandise | Complex |
| Montreal Canadiens (n = 2) | Open to STH only Ways to EARN: Purchases, Information gathering, Social Media Interaction, Promotional Codes REWARDS Offered: VIP experiences, merchandise, and tickets | Complex |
| Nashville Predators (n = 2) | Open to all fans Ways to EARN: Purchases, Information gathering, Social Media Interaction, Promotional Code REWARDS Offered: merchandise, tickets | Complex |
| Pittsburgh Penguins (n = 4) | Open to all fans Ways to EARN: Purchases, Promotional Codes REWARDS Offered: VIP experiences, merchandise, and tickets | Complex |
| Washington Capitals (n = 1) | Open to all fans Ways to EARN: Purchases, Promotional Codes REWARDS Offered: VIP experiences, merchandise, and tickets | Complex |

| MLB Teams (n = 80) | Rewards Structure | Classification |
|-------------------------------|---|-----------------------|
| Boston Red Sox (n = 14) | Open to STH only Ways to EARN: Purchases, Information gathering, Social Media Interaction, Promotional Codes REWARDS Offered: VIP experiences, merchandise, and tickets | Complex |
| Chicago Cubs (n = 10) | Open to STH only Ways to EARN: Purchasing, Information gathering, Social Media Interaction, Promotional Codes REWARDS Offered: VIP experiences, merchandise | Complex |
| Cleveland Indians (n = 3) | Open to STH only Ways to EARN: Purchases (tickets)m, Promotional Codes REWARDS Offered: VIP experiences, merchandise, and tickets | Complex |
| Kansas City Royals (n = 4) | Open to STH only Ways to EARN: Purchase (tickets), Social Media interactions REWARDS Offered: VIP experiences, merchandise, and tickets | Complex |
| Los Angeles Dodgers (n = 5) | Open to STH only Ways to EARN: Purchases REWARDS Offered: VIP experiences, merchandise | Simple |
| Milwaukee Brewers (n = 2) | Open to all fans Ways to EARN: Purchases, Social Media Interaction, Promotional Codes REWARDS Offered: VIP experiences, merchandise | Complex |
| New York Yankees (n = 17) | Open to all fans Ways to EARN: Purchases, Social Media Interaction, Promotional Codes REWARDS Offered: VIP experiences, merchandise | Complex |
| Philadelphia Phillies (n = 4) | Open to all fans Ways to EARN: Purchases, Social Media Interaction REWARDS Offered: VIP experiences, merchandise | Complex |
| Pittsburgh Pirates (n = 2) | Open to all fans Ways to EARN: Purchases (dining only) REWARDS Offered: Money back | Simple |
| San Diego Padres (n = 4) | Open to STH only Ways to EARN: Purchases, REWARDS Offered: VIP experiences, merchandise, and tickets | Simple |
| St. Louis Cardinals (n = 6) | Open to STH only Ways to EARN: Purchases, Social Media Interaction, Promotional Codes REWARDS Offered: VIP experiences, merchandise, and tickets | Complex |
| Tampa Bay Rays (n = 3) | Open to STH only Ways to EARN: Purchases, Information gathering, Social Media Interaction, Promotional Codes REWARDS Offered: VIP experiences, merchandise, and tickets | Complex |

| | | |
|------------------------------|--|---------|
| Texas Rangers (n = 3) | <p>Open to STH only</p> <p>Ways to EARN: Purchasing, Information gathering, Social Media Interaction, Promotional Codes</p> <p>REWARDS Offered: VIP experiences, merchandise</p> | Complex |
| Washington Nationals (n = 3) | <p>Open to STH only</p> <p>Ways to EARN: Purchases (tickets)</p> <p>REWARDS Offered: VIP experiences, merchandise, and tickets</p> | Simple |