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Loyalty Reward Programs by Brands Partnering with Sports Teams: Do Fans Prefer Team-Related Benefits?

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ABSTRACT

This study used a sample of French consumers that included highly identified fans of French soccer club Paris Saint-Germain (PSG), low-identification fans, and non-fans, to examine their responses to loyalty reward benefits for different brands. The reward benefits were either tied to the team (e.g., team-related experiences) or not (e.g., vouchers for the brand). Results showed that highly identified fans found the team-related benefits more desirable than the low-identification fans and non-fans. Also, highly identified fans found several of the team-related benefits more desirable than the benefits not relating to the team. The findings provide useful managerial insight regarding the value of brands partnering with sports teams and offering team-related benefits as part of the brand's loyalty reward program.

INTRODUCTION

American Airlines launched their Frequent Flier program in 1981, considered the first full-scale loyalty program of the modern era (O' Malley, 1998) and since then many brands have been using some form of a loyalty program in an effort to attract and retain customers and cultivate higher loyalty rates among their most valuable customers (Lacey and Sneath, 2006). A majority of consumers in many countries are enrolled and participate in at least one such program (Melancon, Noble, and Noble, 2010, Rowley, 2004).

In an effort to make their loyalty program more attractive, brands that partner with sports teams (e.g., sponsors) often include reward benefits that are tied to their sponsored team. For example, Marriott, a sponsor of Manchester United offers its customers opportunities to redeem their hotel points for experiences related to the team (e.g., child being a mascot walking to the pitch with the team before a game). Sports provide strong emotional connections to many fans and it is reasonable to expect that such benefits would be especially appealing to fans and, therefore, increase their patronage of and loyalty to the brand offering them.

This study intends to provide insight regarding this topic. Specifically, using a sample of French consumers, we examine fan responses to potential loyalty reward benefits that are either tied to a team (leading French soccer club Paris Saint-Germain) or not. Subsequently, we compare

responses to the different benefits options between highly identified fans of the team and low-identification fans and non-fans of the team. The results provide useful managerial insight to brands partnering with sports teams regarding.

CONCEPTUAL BACKGROUND AND HYPOTHESES

The rewards offered by loyalty programs are critical in influencing consumers' decision if the costs (e.g., financial commitment to a brand) are worthwhile (Kim and Ahn, 2017; Kim, Shi, and Srinivasan, 2001). Brands typically offer economic rewards where consumers can exchange the points they earn for discounted or free airline flights or free hotel stays (Tanford, Shoemaker, and Dinca, 2016). However, some brands also reward their loyal customers with non-financial benefits, like senior membership status (Drèze & Nunes, 2009; Ivanic, 2015). Melancon, Noble, and Noble (2010) found that social rewards lead to affective commitment, while perceived economic rewards lead to continuance commitment.

Sponsorship is "an investment, in cash or in kind, in an activity, in return for access to the exploitable commercial potential associated with that activity" (Meenaghan, 1991, p. 36) and many brands engage in sports sponsorship as a way to achieve their marketing objectives (Cornwell and Kwon, 2020). Partnering with a sports team allows the brand access to team-related benefits that the brand may offer as part of its reward benefits in its loyalty program. The emotional connection between many fans and their favorite teams is strong, which would make such reward benefits especially attractive to the fans of the team. However, the degree of identification a fan has with his or her favorite team varies (Dalakas and Levin, 2005) and the effect of fandom varies accordingly.

Research has found consistent support for the positive effects of sports sponsorship for a sponsoring brand in terms of response from the highly identified fans of a sponsored team. Essentially, a liking transfer takes place where the affinity toward a team translates into favorable attitudes and purchase intentions toward a brand sponsoring the team (Dalakas and Levin, 2005). This effect is especially pronounced among highly identified (Davies, Veloutsou, and Costa, 2006; Madrigal, 2001; Madrigal and Dalakas, 2008; Smith, Graetz, and Westerbeek, 2008).

We expect that a similar process will take place in regard to a sponsor's offerings of team-related benefits but also that the appeal of team-related benefits will vary depending on one's level of attachment to the team. Therefore, we hypothesize that:

H1: *High identification fans will evaluate more favorably a brand's loyalty reward benefits that relate to their team than the brand sponsors than the low identification fans or the non-fans.*

Along these lines, research has also established that highly identified fans tend to evaluate anything related to their favorite team more favorably and information is processed in a manner that illustrates an in-group bias (Madrigal and Dalakas, 2008), even when there may be objective information suggesting it should not (Bee and Dalakas, 2015). For example, highly identified fans have been found to attribute a team's victories to internal causes and losses to external

causes (Wann and Schrader, 2000) and to evaluate favorably fans of their team and unfavorably fans of an opposing team (Wann and Dolan, 1994).

We expect to find a similar tendency in the context of loyalty reward benefits where team-related benefits will also be considered especially attractive and desirable. On the other hand, we expect the opposite tendency among non-fans. Therefore, we hypothesize that:

H2: *High identification fans will evaluate more favorably a brand's loyalty reward benefits that relate to their team than the brand sponsors than loyalty reward benefits that do not relate to their team.*

H3: *Non-fans will evaluate more favorably a brand's loyalty reward benefits that do not relate to a team than loyalty reward benefits that relate to a team that the brand sponsors*

METHOD

The survey was shared with French consumers online through social networks. A total of 98 completed usable surveys were submitted. Females constituted 39% of the sample. The sample was fairly equally divided between students (56%) and non-students (44%); similarly, 64% of the sample was younger than 24 years old.

The study focused on the French soccer club Paris Saint-Germain (PSG), the champion of the French Soccer League (Ligue 1) and runner-up of the 2020 UEFA Champions League Competition. Therefore, participants were asked to indicate their favorite soccer club and answer questions from the Sport Spectator Identification Scale (Wann and Branscombe, 1993) regarding their favorite club. Examples of the scale questions include “how important is it to you that your team wins” and “how much do you see yourself as a fan of your team?” Fifty-seven of the respondents indicated their favorite club was PSG, the focal team for the study.

The survey proceeded to asked questions about loyalty benefits for brands from different product categories. We used a mix of brands to avoid any potential biases associated with one specific product category. Along those lines, we used some brands that are actual sponsors of the club and some brands that are not. Specifically, respondents were asked to indicate the desirability of 20 different benefits from 9 different brands, presented in pairs for each brand with one team-related benefit and one not related to the team for each pair. For example, “how desirable do you consider the following benefits as a reward for a loyalty program for Nike? (Assume you need the same number of reward points for each benefit)” The pair of benefits in this case was a) a discovery day at the Camp des Loges and meeting with the players and b) a 250€ voucher for Nike.

RESULTS

We used a median split to divide the PSG fans into high and low identification fans. Fans whose mean score on the identification scale was 4.25 or lower were classified as low-identification fans and fans with a mean score of 4.26 or higher were classified as highly identified fans.

Our first hypothesis predicted that highly identified fans would evaluate the team-related benefits more favorably than the low-identification fans and the non-fans would. To test the hypothesis, we used an ANOVA test to compare all three groups in regard to the all team-related benefits. The table below summarizes the test results.

Table 1. ANOVA Test Comparing Fans' Perceptions of Desirability of Team-Related Benefits

Benefits	P-value	Group	Mean
Offered by Nike - A discovery day at the Camp des Loges and a meeting with the players	p = .007 < .05 (significant)	Not fans	4.85
		Low ID fans	5.2.
		High ID fans	6.17
Offered by ALL (Accor Live Limitless) - Two free seats at the Parc des Princes in a box for a Ligue 1 match of your choice	p = .007 < .05 (significant)	Not fans	5.29
		Low ID fans	5.29
		High ID fans	6.41
Offered by Mcdonald's - Two seats for a Ligue 1 PSG match of your choice	p = .028 < .05 (significant)	Not fans	5.02
		Low ID fans	5.54
		High ID fans	6.14
Offered by BeinSport - Shirt of a PSG player of your choice signed by the player	p = .010 < .05 (significant)	Not fans	5.07
		Low ID fans	5.00
		High ID fans	6.28
Offered by Unibet - Meeting the PSG player of your choice	p = .014 < .05 (significant)	Not fans	4.80
		Low ID fans	5.36
		High ID fans	6.21
Offered by EASport - 400€ gift card at the PSG shop	p = .002 < .05 (significant)	Not fans	4.76
		Low ID fans	5.00
		High ID fans	6.34
Offered by Hisense - Visit of the Parc des Princes with 2 tickets for a PSG Ligue 1 match and meeting the players after the match	p = .004 < .05 (significant)	Not fans	4.98
		Low ID fans	5.68
		High ID fans	6.38
Offered by Renault - Two invitations in the Marquinhos box (meal included) during a Ligue 1 match and meeting with the player at the end of the match	p = .033 < .05 (significant)	Not fans	5.17
		Low ID fans	5.29
		High ID fans	6.24
Offered by Orange - A PSG Ligue 1 match in a sofa right next to the pitch	p = .038 < .05 (significant)	Not fans	3.93
		Low ID fans	4.21
		High ID fans	5.00

Consistent with H1, highly identified fans perceived significantly more favorably each of the team-related benefits compared to the low-identification fans of the team and those who were not fans of the team. Therefore, H1 was supported.

Our second hypothesis predicted that highly identified fans would evaluate more favorably loyalty reward benefits that related to their team than benefits that did not relate to their team. To test this hypothesis, we conducted paired sample T-Test for the team-related benefits and for non-team related benefits for the highly identified fans. The table below summarizes the test results.

Table 2. Paired-Sample T-Tests for Team-Related Benefits and Non-Team-Related Benefits for Highly Identified Fans

Name of the sponsor	P-value	Mean of team-related benefits	Mean of non-team related benefits
Offered by Nike	$p = .534 > .05$ (not significant)	6.17	5.93
Offered by ALL	$p = .252 > .05$ (not significant)	6.41	6.07
Offered by ALL (2)	$p = .092 > .05$ (not significant)	6.59	6.07
Offered by McDonald's	$p = .008 < .05$ (significant)	6.14	4.72
Offered by BeinSport	$p = .252 > .05$ (not significant)	6.28	5.93
Offered by Unibet	$p = .024 < .05$ (significant)	6.20	5.07
Offered by EASport	$p = .012 < .05$ (significant)	6.34	5.45
Offered by Hisense	$p = .041 < .05$ (significant)	6.38	5.48
Offered by Renault	$p = .023 < .05$ (significant)	6.24	5.17
Offered by Orange	$p = .401 > .05$ (not significant)	5.00	4.66

In all cases, the means for the team-related benefits were higher than the means for the benefits that were not related to the team. However, the difference was significant for half of them and not significant for the other half. Thus, our H2 was partly supported.

The third hypothesis predicted that non-fans would evaluate the benefits that were not related to the team more favorably than the benefits related to the team. Similar to the test for H2, we used paired sample T-Tests for the team-related benefits and for the non-team related benefits for all of the respondents who were not fans of the team. The table below summarizes the results of the test.

Table 3. Paired-Sample T-Tests for Team-Related Benefits and Non-Team-Related Benefits for Non-Fans

Name of the sponsor	P-value	Mean of team related benefits	Mean of non-team related benefits
Offered by Nike	p = .001<.05 (significant)	4.85	6.00
Offered by ALL	p = .295<.05 (not significant)	5.29	5.68
Offered by ALL (2)	p = .468<.05 (not significant)	5.76	6.02
Offered by McDonald's	p = .106<.05 (not significant)	5.02	4.20
Offered by BeinSport	p = .691<.05 (not significant)	5.07	5.24
Offered by Unibet	p = .574<.05 (not significant)	4.80	4.54
Offered by EASport	p = .148<.05 (not significant)	4.76	5.22
Offered by Hisense	p = .617<.05 (not significant)	4.98	5.22
Offered by Renault	p = .472<.05 (not significant)	5.17	4.85
Offered by Orange	p = .256 < .05 (not significant)	3.93	4.37

Overall, with the exception of one benefit, H3 was not supported and there was not significant difference in perception of team-related benefits vs. benefits not relating to the team among non-fans.

DISCUSSION AND IMPLICATIONS

The positive response of highly identified fans to team-related benefits compared to benefits not related to the team provides additional support for why brands should pursue partnerships with sports teams. In addition to the benefits that previous research established where positive attitudes and intentions are elicited simply because of the brand's association with the team, our study shows that the partnership can also function as a loyalty-building mechanism. Fans' identification with their team and desire to enjoy team-related items or experiences can indeed

motivate increased patronage and loyalty to a brand offering such items and experiences as loyalty rewards. It is important to note that a brand cannot offer such benefits without an official partnership with the team, further confirming the benefits of aligning with sports teams.

Another noteworthy observation regarding the appeal of team-related benefits to highly identified fans is the fact that many of them, particularly the experiential ones, are of high emotional value to the fans while being of low cost to the brand. For example, having a fan cash in many loyalty points in exchange for the opportunity to shake hands with some players after practice and take a picture with them costs nothing extra to the brand or to the team or the players. However, for the fan/consumer this can be an extremely exciting and memorable moment. Considering that the traditional non-team-related benefit one could get in exchange for these points would normally be free products or services from the brand, the team-related benefit seems to be a win-win scenario for both the highly identified fans and for the brand.

While team-related benefits are appealing to the highly identified fans, it is important for a brand to also offer other benefits not related to the team. The results suggested that in some cases there was no significant difference between desirability of team-related benefits and benefits not related to the team for highly identified fans. Moreover, low-identification fans and non-fans are less favorable toward team-related benefits compared to the highly identified fans. Also, the fact that there was no difference in the perception of non-team benefits and team benefits among fans was surprising in the sense that it did not support our hypothesis about them liking non-team benefits more. However, at the same time it also shows they do not like team-related benefits more, reinforcing the need for a brand to offer both. Marriott, a sponsor of well-known English club Manchester United, seems to be doing a good job in that respect. Marriott customers have the option of cashing in their loyalty points for hotel stays (needing more points for nicer hotels in more desirable locations) or for Manchester United experiences.

LIMITATIONS AND FUTURE RESEARCH

The study used a French sample and focused on one French club. While studies on fan identification show the effects are fairly similar across countries, sports, and teams, it will nonetheless be beneficial to study this topic in the context of other sports/teams in other countries. Additionally, although the study did not rely on a student sample, many of the respondents were young, which may have an effect on their perception of the different benefits. Therefore, it is recommended to have more research using older samples.

Despite the limitations, the study provides worthwhile insight on this important but under researched topic of fan response to loyalty reward benefits by brands that align with sports teams. We hope it will stimulate further interest in this area with more research exploring different angles and making further contributions.

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