

Original article

THE ROLE OF SPORTS TEAM REPUTATION AS THE MEDIATOR BETWEEN CELEBRITY
ENDORSEMENT AND SPECTATOR LOYALTY IN THE PROFESSIONAL THAI FOOTBALL LEAGUE

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ABSTRACT

The pandemic effect of Corona virus 2019 (COVID-19) has resulted in decreasing the sports venues of the Thai football clubs. The problem is how the Thai football clubs effectively communicate their activities to increase their venues. The celebrity endorsement is usually used for increasing spectator loyalty. However, there are no studies that have examine the sports team reputation as a mediator between celebrity endorsement and spectator loyalty. The purpose of this study aims to investigate the how sports team reputation as the mediator between celebrity endorsement and spectator loyalty. A survey from a sample of 900 spectators who physically attended home games from six football clubs in the professional Thai football league. The 34-item questionnaire from previously developed scales was used. The Structural Equation Model (SEM) technique was applied to analyze the data by using AMOS 20.0. The results showed that sports team reputation works as a mediator between celebrity endorsement and spectator loyalty. The result of the study is an indicator to team managers/owners that sports team reputation is valuable marketing communication tool in developing the sports venues of the Thai football clubs. The sports team reputation is very important to enhance loyalty to teams.

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INTRODUCTION

The Corona virus 2019 (COVID-19) has infected more than one hundred million people and is the cause of the deaths more than two million people in the world¹. The pandemic effect of COVID-19 has resulted in cancelling and postponing many sports events to reduce the risk of the infection. The COVID-19 has the negative effects on sport industry. The alterations of sports competitions format with the COVID-19 prevention measures are required. This situation has resulted in decreasing spectators who attend at the game, leading to decline in the sports venues of the sports event. For example, in the case of the professional Thai football league in 2020, a total income is decreased by 63.55% when compared with previous year². The problem is how the professional Thai football clubs can increase their venues during the pandemic effect of COVID-19.

Previous studies have focused on team brand association as a marketing communication tool of the professional sports teams. They revealed that team brand association is vastly useful in the long term to remain and increase spectator loyalty, and to prevent failure from losing in the competition^{3, 4, 5}. The relationship between image and loyalty is not only at the organizational level but also on a personal level. Prior studies found that there was the relationship between celebrity endorsement and brand loyalty in Lebanon's cosmetics business⁶. It is assumed that celebrity endorsement might be transferred to his/her sports team and cultivates spectator loyalty. However, investigating this relationship in terms of sports teams has not been proved by research to date. Therefore, the first objective of this research was to examine the effect of celebrity endorsement on spectator loyalty in the professional Thai football league.

Nowadays, sports team reputation plays an important role in the sports marketing communication. Sports team reputation is the spectators' emotional perception on an experience with the sports team⁷. Sports team reputation plays a mediating role in the causal relationship between team brand association and spectator loyalty in the professional Thai football league⁸. However, there was only one research studying the mediating role of sports team reputation. The second objective of this study was to investigate the role of sports team reputation in mediating the association between celebrity endorsement and spectator loyalty in the professional Thai football league.

Celebrity Endorsement and Loyalty

A celebrity endorser is defined as any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement⁹. Celebrity endorsers not only build brand equity but also enhance a brand's competitive position¹⁰. In fact, brand management is the

use of celebrity endorsers as marketing communication tools to increase purchase intentions and purchase behaviors¹¹, and to develop brand attitudes toward advertisement¹².

According to McCracken (1989)⁹, the meaning transfer model explains that endorsers send their symbolic meanings through the endorsement process. Then, the cultural meanings related to the endorser such as class, status, and lifestyle can be transferred to products. The adopter of celebrity endorsement has been an early use for brand management for the following reasons: 1) to provide brand name recognition and transfer positive associations and qualities e.g. consumers' intention to purchase¹³; 2) to generate word-of-mouth publicity and establish brand loyalty¹⁴; and 3) to influence consumers to purchase products and services¹⁵. It can be concluded that celebrity endorsement possibly affects brand loyalty. However, empirical research discovering the effect of celebrity endorsement on spectator loyalty is still inadequate, especially in the area of the professional Thai football league. Thus, the following hypotheses were formulated:

H1: Celebrity endorsement has a positive effect on loyalty.

Celebrity Endorsement and Sports Team Reputation

The current studies in sports marketing communication mostly focus on team brand association^{3,4,5}. Team brand association is the set of associations that spectators store in their memory which links to the brand image¹⁶, while sports team reputation is the evaluation by spectators' perceptions of what they feel about the sports team⁸.

A previous study revealed that celebrity endorsement, which comprises celebrity attractiveness, likeability, and trustworthiness, affected the reputation of telecommunication companies¹⁷. Although the effect of celebrity endorsement on corporate reputation has been extensively studied in marketing context, little attention has been given to sports team reputation.

The effect of celebrity endorsement on sports team reputation may be explained by an emotional construct. The endorser may transfer meaning to a sports team via advertising campaigns or experiences with a team, which leads to the stimulation of the spectators' emotional response to their actions associated with the sports team⁸. However, no empirical research to date has been undertaken to consider the effect of celebrity endorsement on reputation in the professional sports team. Hence, the following hypothesis was formulated:

H2: Celebrity endorsement has a positive effect on sports team reputation.

Sports Team Reputation and Loyalty

Customer loyalty is defined as a consumer's commitment to repeating purchase of a product or service¹⁸. For a professional sports team, behavioural loyalty is when a group of spectators purchases season tickets or partial season tickets and watch all of a team's games on television¹⁹, purchases team merchandise²⁰ and has been a fan for a number of years²¹. However, repetitive behaviour of the spectator is not enough to be considered as loyalty. It should be accompanied by a favourable attitude towards a team. Attitudinal loyalty is when a group of spectators holds a favourable attitude towards a sports team, leading to increased consumption of team merchandise, game attendance, and media rights²¹.

A previous study confirmed that a positive reputation is associated with consumers who are loyal to a brand²². In terms of sports marketing communication, two studies focused on the influence of team brand association on spectator loyalty in professional sports team^{3,23}. One of them found that a positive reputation of sports teams contributes to greater spectators' attitudinal loyalty⁸. Although the link between sports team reputation and spectator loyalty has been studied, the understanding of the influence of sports team reputation on loyalty is still limited. For this reason, it is necessary for this research to study both behavioural and attitudinal loyalty towards a team. Therefore, the following hypothesis was developed:

H3: Sports team reputation has a positive effect on loyalty.

Mediating Role of Sports Team Reputation on the Effect of Celebrity Endorsement on Loyalty

Sports team reputation played a key role to mediate the effect of team brand association on spectator loyalty in the professional Thai football league⁸. Thus, sports team reputation is likely to serve as an essential mediator between team brand association and spectator loyalty. It is likely that there is an impact of celebrity endorsement, a part of brand image, on loyalty. In addition, corporate reputation may be a critical mediator between celebrity endorsement and loyalty. Sports team reputation has drawn specific attention since very few empirical studies have examined the role of reputation in mediating the relationship between celebrity endorsement and loyalty. This study hypothesizes that sports team reputation plays a mediating role in the relationship between celebrity endorsement and spectator loyalty. The hypotheses are described as follows:

H4: Sports team reputation mediates the effect of celebrity endorsement on loyalty.

METHODOLOGY

The respondents of this study were 900 spectators aged between 18 - 65 years from six clubs (150 each) in the Thai League 2020 (T1). This research was approved by the Ethical Review Committee Board for Human Research Involving Sciences, Thammasat University, No. 3 with the number of 089/2563. The 34 items of questionnaire with a seven-point Likert scale from previous studies were adopted^{3, 6, 7, 24}. The Thai questionnaire was translated from English and was assessed for content validity by professionals. The reliability score of the questionnaire was found at 0.957 according to Cronbach's alpha.

DATA ANALYSIS

Confirmatory factor analysis (CFA) was carried out using AMOS 20.0 for evaluating convergent validity, reliability, discriminant validity, and a goodness of fit test. Structural equations model (SEM) was performed using AMOS 20.0 for testing the hypotheses. Bootstrapping with 5,000 retrials was used to evaluate the significance of the path coefficients and estimate the standard error.

RESULTS AND DISCUSSION

Spectators were 594 men (66%) and 306 women (34%). Men were greater than women by 32%. The typical spectators attending at home games in the Thai league (T1) in 2020 was most likely around 33.33 years old (± 11.95), who frequently attended at home games about 5.32 times per season (± 6.71), and who bought a daily match ticket (59.33%).

For the test of CFA model, the results showed that the evaluations of convergent validity, discriminant validity, and composite reliability of all constructs were considered good acceptable. The comparative fit indexes confirmed the suitability of the model presented.

For the test of SEM, the results showed that of the comparative fit indexes confirmed that the model fit the data well as shown in Figure 1.

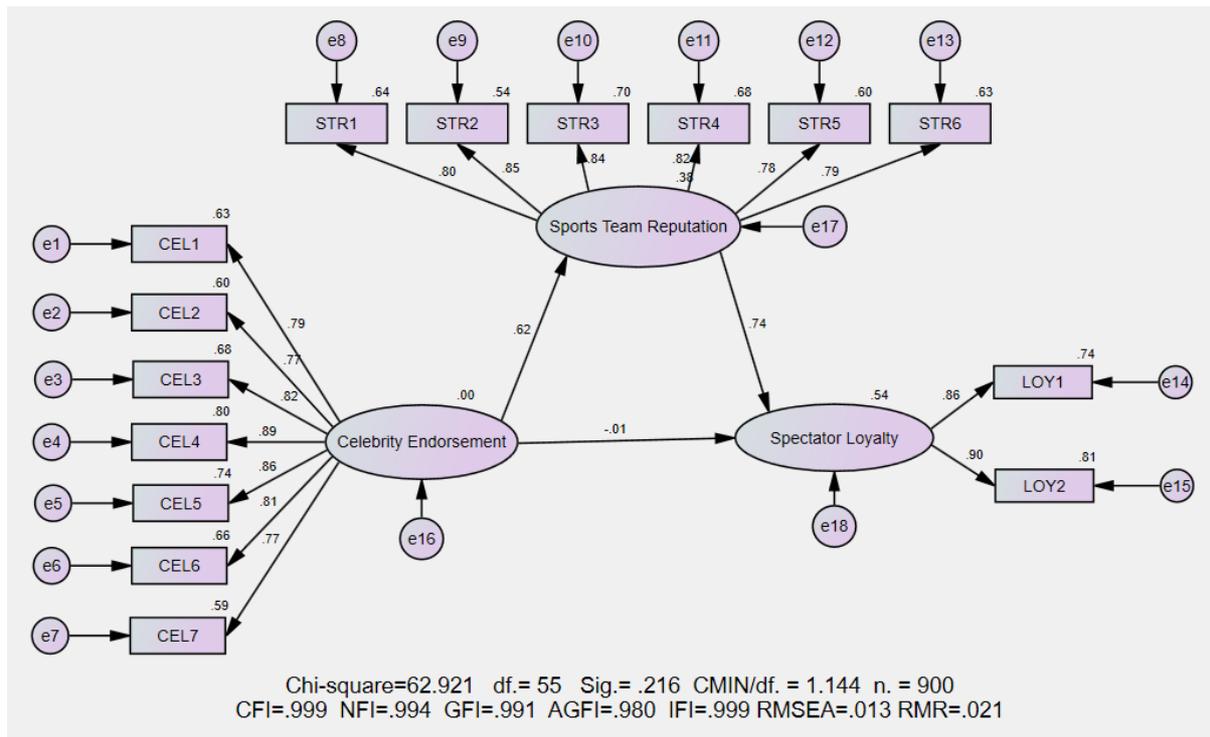


Figure 1. Empirical results from structural equation model (SEM) for sports team reputation as mediator between celebrity endorsement and spectator loyalty representing standardized regression coefficients.

Direct hypotheses

Results of the proposed direct hypotheses are shown in Table 1. There was a positively significant effect of celebrity endorsement on sports team reputation ($\beta = 0.616$) and a positively significant effect of sports team reputation on spectator loyalty ($\beta = 0.740$). Thus, H2 and H3 were supported. However, there was no positively significant effect of celebrity endorsement on spectator loyalty, indicating that H1 was not supported ($\beta = -0.010$; $p > 0.05$).

Table 1. Standardized estimates of direct effects for celebrity endorsement, sports team reputation, and spectator loyalty.

Direct Hypotheses	β -value	t-value	Result
H1: Celebrity Endorsement -> Loyalty	-0.010	-0.264	Not support
H2: Celebrity Endorsement -> Reputation	0.616*	17.986	Support
H3: Reputation -> Loyalty	0.740*	15.499	Support

Note: *Significant at $p < 0.001$

The present study is the first to address and confirm that a celebrity endorsement is able to transfer from the individual to the team. In other words, a celebrity endorsement is one of the influencing factors of

sports team reputation. As hypothesized, the celebrity endorsement is also associated to the reputation of the team itself. This finding is consistent with previous study¹⁷. This finding supports the view that corporate reputation is conceptualized as perceptions, attitudes and beliefs of stakeholders, which is influenced by brand loyalty. The positive effect of celebrity endorsement on sports team reputation in the present study may be explained by the meaning transfer model⁹. The celebrity endorsement can be transferred from the product to the spectator. This model is used to explain whether celebrity endorsement may be transferred to sports team reputation. The celebrity endorsement is transferred when the endorser joins a team, then the celebrity endorsement becomes an attribute of the team. The celebrity endorsement is transmitted to the spectator, leading to the formation of emotional feelings, certain attitudes, and beliefs toward the team⁹. Finally, it is transferred to sports team reputation.

As hypothesized, spectator loyalty is the consequence of sports team reputation and this relationship is clearly proved to be positive. This can be explained by various studies^{25,26,27}. This finding supports the view that when an emotional construct (sports team reputation) is used, it also has an effect on spectator attitudinal loyalty. Spectators may be loyal to a team not only because of the functional ability of the reputation but also the emotional values that are attached to the reputation.

In contrast to expectations of this study, the relationship between celebrity endorsement and spectator loyalty was not found. Our findings showed that spectators' attitudes toward celebrity endorsement indeed had no positive influences on spectator loyalty. This finding is inconsistent with several studies^{14,28,29}. They found that the perception of the endorser's credibility is related to influencing consumers' attitude and belief, leading to increase word-of-mouth publicity and encourage brand loyalty. Thus, a possible explanation for this finding is that the concept of spectators' loyalty toward an endorser has not been transferred to spectators' loyalty. The spectators are more likely to emphasize the success of team performance and localism than a celebrity endorsement. It can be assumed that spectators' loyalty to team success and localism has a positive influence on their loyalty to the team rather than to the endorser.

Mediating Hypotheses

The results of the proposed mediating hypotheses (H4), including standardized total effect, standardized indirect effect, standardized direct effect and the variance accounted for (VAF = indirect effect/total effect) are shown in Table 2. There was a positively significant mediating effect of sports team

reputation on the relationship between celebrity endorsement and spectator loyalty ($\beta = 0.456$). The value of VAF was 1.025. Thus, H4 was supported.

Table 2. Standardized estimates of mediating effect of sports team reputation between celebrity endorsement and spectator loyalty.

Mediating Hypotheses	Total	Indirect	Direct	VAF
H4: Team Brand Association -> Reputation -> Loyalty	0.445*	0.456*	-0.010	1.025

Note: *Significant at $p < 0.001$; VAF = indirect effect/total effect

This result of the present study pointed out that sports team reputation fully mediates the relationship between celebrity endorsement and spectator loyalty. Sports team reputation plays a key role in mediating the relationship between celebrity endorsement and spectator loyalty. When considering the dimensions of sports team reputation in detail, the two additional dimensions of the sports team reputation construct, i.e., team social responsibility and spectator orientation, may add to the spectators' perceived value to stimulate greater emotional connections associated with the team⁷. Our findings are in alignment with the results of Suchao-in, Gulthawatvichai, and Chatpunyakul (2021)⁸. They found that sports team activities can create and increase relationships with their fans and community, which influences spectators' perception of reputation. The spectator, being of central value in the sports team, could create the spectators' perceived value to enhance emotional connections associated with the team. Spectators were able to recall an endorsers' image from experiences with a team, which led to the development of an emotional reaction in response to actions correlated with the sports team. Eventually, spectators continually perceive their loyalty towards a team.

CONCLUSION

The present study is possibly the first which investigates the causal relationships between celebrity endorsement, sports team reputation, and spectator loyalty. Celebrity endorsement has positively effect on sports team reputation. Sports team reputation has positively effect on spectator loyalty. Remarkably, sports team reputation played a key role in mediating the causal relationship between celebrity endorsement and spectator loyalty. This indicates that team managers/owners should pay more attention to celebrity endorsement and sports team reputation to enhance spectator loyalty in the marketing communication process. Therefore, team managers/owners are able to earn more money and profit.

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