The Effect of Promotional Bundles on Purchase Intent for High, Medium, and Low Vested Sports Tourists Segments within the Context of the NBA’s Charlotte Hornets

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Abstract

Sports tourism is defined as “a specific travel outside of the usual environment for either passive or active involvement in competitive sport where sport is the prime motivational reason for travel and the touristic or leisure element may act to reinforce the overall experience” [1]. This “niche of the tourism industry uses the hosting of sporting events to attract visitors to communities in order to drive economic impact” [2,3]. Sports tourism’s economic impact is measured most commonly by sports tourists’ receipts. These receipts are comprised of food, accommodations and fuel/travel tickets [3]. Generating these receipts are the sports tourists.

Sports tourists are defined as those that “are in attendance at or participating in a particular sports activity” [2]. Thus the category consists of the families, fans, coaches, reporters, vendors, athletes, teams and officials that travel to watch or participate in all sporting events. The scope of events ranges from competitive youth sports to the Olympics. Overall, sports tourism is one of the most overlooked areas of tourism and hospitality [4]. While attention has been given to sports tourism within the context of specific geographic regions [5,6] and the management of sports tourism events [7,8] little attention has been given to exploring which type of promotional bundles are most attractive to the different segments of sports tourists.

The importance of this research is found within the growing economic impact that sports tourism provides the tourism industry. Sports tourism for amateur and pro events accounts for approximately 30% of overall tourism industry receipts [5]. The annual contribution by sports tourists for amateur events is estimated to be $9 billion, growing at 4.5% annually [4,9]. Applying this to the estimated $900 billion spent on tourism last year [10,11], sports tourists for amateur and pro sporting events make up roughly 10% and 20% of tourist spending in the United States respectively. It should be noted that the economic impact of sports tourism on cities and regions is often the topic of debate between academics and practitioners alike. Such discussions often include the economic benefits and synergistic effects on the local economy (job creation, economic growth rate, etc.) as well as the cost (new or renovated stadiums, highways, and specialized facilities) [12,13]. This is not the focus of sport tourism’s economic impact as defined within this paper. Rather, the emphasis here is the spending of sports tourists as they travel to, stay at, and return from the event. In short, the tourists’ receipts for food, travel, and lodging.

The stability of sports tourism also makes it a valuable niche for the industry. Because several sporting events take place and are attended annually, they offer cities recession proof drivers of income [4,14]. The effect of sports tourism on hotels is especially relevant. Within the United States approximately, 35 million sports tourists traveled and stayed overnight for at least one night to participate in or watch an amateur sporting event [4]. Further, over 60% of families that visit a town to attend a sporting event return to the city for a separate vacation and 74% recommend it as a vacation destination to others [14]. In addition, Lavoie and Rodriguez find that sports tourism and hotel occupancy rates are correlated, stating that hotel occupancy rates within Canada dropped in cities with popular sports teams when the teams went on
strike [13]. Indeed, sports tourism is an important part of the tourism and hospitality landscape. To this end, this paper seeks to shed light on what promotional bundles are most attractive to different segments of sports tourists traveling to an event in a distant city. This paper is organized as follows: First, a review of the relevant literature regarding segmentation, sports tourism, and tourism promotion bundles is provided and research hypothesis are stated. Second, the methodology and the operationalization of the independent and dependent variables is explained based on the aforementioned literature. Third, the data is analyzed and findings are discussed. Finally, applications for both researchers and practitioners within the field are provided.

**Literature Review, Conceptual Framework and Hypothesis**

**Segmentation; benefits segmentation and tourism**

Market Segmentation has existed as long as trade itself. However, the theory of marketing segmentation evolved from economic theory in an effort to explain how marketers could maximize profits while selling homogeneous products to a heterogeneous market [15,16]. The theory was framed within the economic paradigm with a focus of segmenting on consumers’ perception of price, price elasticity or their expenditures [15]. Defined through a marketing lens, market segmentation is "the act of dividing a market into distinct and meaningful groups of buyers who might warrant separate products and/or marketing mixers. It is an efficient marketing strategy that can result in more efficient use of marketing and promotional dollars" [17]. Within marketing research and practice, segmentation evolved beyond price as a lone factor to include demographics, socioeconomic, psychographic and benefits factors. Benefit segmentation, grouping consumers by benefits sought from consumption, was developed in 1968 by Russell Haley in an effort to segment based on causal rather than descriptive measures [18,19].

Within tourism research, benefits segmentation is often used to explore the different needs of tourists. Benefits segmentation can include several consumer needs as well as psychographic and demographic characteristics. Sports tourists segments are not always present in benefit segmentation research findings. For example, benefit segmentation work on resort tourists in Australia resulted in the identification of four segments; romantics, tasters, veterans and immersers [20], each unrelated to sports. Similarly, a study of Latin American tourists leveraged benefit segmentations to develop four distinct segments; traditional, experimental, novelty, and sophisticated [21]. Benefit segmentation absent of sports tourist is also exemplified by an exploration of Japanese tourist visiting Canada and the United States. This study resulted in three benefits based segments; novelty/nature seekers, escape/relation seekers, and family outdoor seekers [22]. Still, other works have identified sports tourist within a larger benefits based segment. For example researchers seeking to define the causal factors that influence tourism of rural areas in Korea divided tourists into four segments; family togetherness, passive tourists, want-it-all seekers, and learning and excitement seekers [23]. The latter segment here included sports tourists. Similarly, an investigation of benefit segmentation on nonresident tourists visiting.

North Carolina resulted in six consumer segments; naturalist, no-differentiators, family/friend oriented, excitement escape, pure excitement seekers, and escapists [19]. The final two segments here include sports tourists within a larger segment of consumers. Sports tourists may also be identified as one of the main segments. For example, researchers investigating the motivation of Japanese overseas travelers identified three marketing segments; family and relaxation seekers, novelty seekers and sports seekers [24]. Moreover, a “fuller picture” of the sports tourist as a consumer via the lenses of benefits segmentation is scarce. To this end, Gibson called for additional research in sports tourism to determine the motivations and behaviors of sports tourists [25]. This paper aims to answers this call by researching the sports tourists’ population. Hence the focus is benefit segments within sports tourism rather than exploring sports tourists as a possible segment or sub segment of the population.

**Sports tourists and benefits segmentation**

As previously mentioned, sports tourists may be active participants or passive spectators [2,15] and includes several subgroups (fans, teams, athletes, etc.). Of particular interest is sports tourists for professional events as they are one of the largest subgroups in the United States. The U.S. Professional Sports Market and Franchise Value Report [26] estimates that 133 million fans attended pro football, basketball, baseball and hockey games in the United States. As fans of professional sports, these sports tourists are characterized by Sutton, McDonald, and Milne as falling within one of three behavioral segments: low, medium, and high [27,28]. Each segment is related to the consumer’s level of interest in the sport they are attending [27,28]. Those with low levels of investment in the outcome of the event are normally social fans. These fans are typically recruited into attending the game by fans who are more highly vested. Within the team sports context, social fans tend to have limited knowledge of the players on the home or visiting team. For them, the event allows an avenue for hanging out with friends and enjoying the food and amenities the venues offer. The social aspect is the focus for these fans rather than the actual event and its outcome. At the other end of the spectrum is the highly vested (diehard) fan. These fans normally have long term commitment to a team, sport or player. Their allegiance to a team may have been passed down from their parents. Furthermore, these fans will recruit other fans and follow the team regardless of the outcome. Diehard fans are more financially invested, will attend both home and away games and seek information and team news even in the off-season. These fans also closely follow the success or failure of their team’s rivals, often celebrating their rival’s losses with more vigor than their own team’s success. Diehard fans will hold the most knowledge of the sport, the team, the players and their histories [27,28]. In between the social and diehard vested fan is the medium (focused) fan: focused fans loyalty to the team is often short term as these fans may only be vested while the team is winning. Focused fans will shift their attention to another team or sport if the “favorite” team is having a bad year or a key player is traded. These fans spend less time consuming sports information than the diehard fans and are also less concerned with the socialization aspect of the sporting events than the social fan.

Research states that “the sports tourist’s destination decisions are often pseudo choices; trips influenced by family and friends as well as advertising and promotion” [29]. As such, sports fans must at some point make the decision to become a sports tourist if they wish to attend an event outside of their hometowns. This may be a hard decision as traveling to the game requires two costs, that of leaving the comforts of watching the game at home (instant reply, DVR control, etc.) and taking on the financial cost of attending the game (travel, tickets, parking, food, lodging) [30]. Consequently, sports promotion plays a role in attracting sport tourists to the event. Next, the literature that delineates the different type of sports tourism events is explored in order to gain an understanding of what promotion each type of sports tourist might find the most attractive.
Sports tourism and promotional bundles

Sports promotions can consist of and endless combination of advertisement (business to consumer), business to business, sales, community relations and sponsorship elements [28]. This paper focuses on bundled packages as they are often used within the sports tourism industry. Such is feasible as benefit segmentation is also frequently used to design vacation packages [18]. Bundles in this sense are the combination of products or services that in aggregate, creates a richer – more value added product [31]. Indeed, Baloglu and Uysal state that the most successful products within travel and hospitality are those that match a given segments’ “bundle of needs” with a corresponding bundles of products [32]. They further find that, among German pleasure travelers, tourists’ needs and products offering create four variations of possible segments and product bundle; overseas urban life experience, overseas pleasure travel, beach resort vacations, and sport activities.

Hypothesis Development: Sports Tourist Segmentation and Promotional Bundles

In seeking to determine which bundles are most attractive to different segments of sports tourists, this paper investigates sports tourist segments (as defined above) and bundle packages that combine the five different types of sports tourism categories. The five sports tourist categories are sports events, sports attractions, sports tours, sports tourism resorts, and sports cruises [2]. Sporting events consist of the game or event itself. As sports spectators are the particular interest of this paper, their target in travel, the sporting event, serves as the constant within all references to “bundles” hereafter. Sports resorts incorporate lodging facilities that are based on or around sports and sporting events. Sport attractions include sports museums and league halls of fame. Sports tourism incorporates coordinating sporting events and travel. Finally, sports cruises include sports team or sports celebrity cruises and guided fishing excursions.

“The travel and tourism industry is no different from other industries as it has always promoted the products and services they sell to their customers” [29]. In regards to promotions’ attractiveness, this paper questions what promotion bundles sports tourists would find most attractive to purchase for an event outside of their own city. Applying segmentation theory, each sports tourist segment should seek different benefits from event attendance as such that each promotional bundled package will have varying degrees of attractiveness to each group. More formally stated:

H1: Sports tourists segments will differ in their intent to purchase different promotion bundles.

Furthermore, applying the literature related to benefit segmentation, each segment should be attracted to the bundle that best satisfies their needs [15-17]. Social fans have low levels of investment in the event or other sports related activities and are more focused on the social aspects of the trip [27,28]. Therefore, tours of sports museums or league halls of fame would not be as interesting to them as hotels which feature socializing aspects (the hotel restaurant, lounge or room). Thus the following hypothesis is formed:

H2: Social sports tourists will be the segment most influenced by event promotions that include a resort element.

Focused fans are less interested in the history of the players and teams than the diehard fan. They are also less interested in the social aspect of attending the game than the social fan [27,28]. Rather, the focused fan is dedicated to the here and now. For these reasons, focused sports fans should be most attracted to options that simplify and add to the efficiencies of the experience while avoiding options that prolong it. Therefore, it is hypothesized that:

H3: Focused sports tourists will be the segment most influenced by event promotions that include a tourism element.

In regard to the diehard segment, these fans are the most interested in the history of the sport, teams, and players and consume the most information about leagues, teams, and players [27,28]. It is then reasonable that they would be the tourists most interested in visiting sports museums and league halls of fame. To this end, the following hypothesis is formally introduced:

H4: Diehard sports tourists will be most influenced by event promotions that include a sport attraction element.

Methodology

A quasi experiment was employed because the independent variable, the sports tourist’s level of fandom for a team, is an innate characteristic that cannot be randomly assigned. In addition, the researchers could not control for the number of respondents in each segment. All respondents took the same questionnaire and based on their answers regarding level of fandom, were placed into one of three sports tourist segments. The promotional bundle was operationalized as a combination of the sports event itself (tickets to a Hornet’s home game being played two hours away in Charlotte, NC) packaged with other sports tourist categories (tours, lodging, attractions). Here sports tours were operationalized as roundtrip transportation via a luxury party bus to the event, sports lodging as overnight hotel accommodations at an upscale hotel near the event, and sports attractions as tickets for a tour of the NASCAR Hall of Fame (located within 0.5 miles of the team’s home arena). Care was taken to make sure that each bundle was of similar cash value.

For this reason, sports cruises were not included as a bundle package option. The dependent variable measured was the tourists’ “likelihood to purchase” the bundle package for each of the bundles as measured on a 5pt Likert scale.

The Charlotte Hornets game was chosen for this study because the team has the league franchise rights to promote the team in both North and South Carolina. Located in Charlotte, NC on the NC/SC border, the team held a preseason game against the Washington Wizards in Greenville South Carolina, located two hours south of Charlotte. One goal of the game was offer the experience of attending the game for fans in South Carolina who do not normally attended games in Charlotte. While there is a major highway linking the two cities, there are no major public (i.e. buses, subway, train) or private (limousine, party buses) transportation services that allow fans an easy commute from one city to the next. In addition, several Charlotte Hornet games are played at night, ending as late as 11 p.m. Hence, fans traveling the two hours to see the game would have to seek lodging or drive back late at night. All things considered, this event offered a unique platform for a study of sports tourists.

Procedure

A total of 386 surveys were administered to fans attending a National Basketball Association (NBA) preseason game between the Charlotte Hornets and the Washington Wizards. The surveys were administered by students who were enrolled in the primary investigators sports marketing class. Students were rewarded with free entry to the game.
Respondents were intercepted at one of the three main entrances while entering the game (Figure 1). Respondents were given the incentive of being entered in a drawing to win team paraphernalia in exchange for their time and information. Surveys were removed if they were not filled out correctly (n=121) resulting in 265 surveys filled out by respondents (63% Caucasian, 29% African American, 4% Hispanic, 1% Asian/Pacific Islander, 1% Native American; 66% male 24% female for the study).

The survey asked respondents to identify their level of fandom (high to low) for the Charlotte Hornets. Fans were next categorized based on these metrics (social n=103, focused n=106, diehard n=56). A manipulation check was conducted to check the level of fan identification based on the number of Hornet games watched or attended in the previous year. The manipulation check indicated that the earlier categorization of fans was reliable. Fans also were asked to rank how likely they would be to purchase a package for a Hornets game in Charlotte that included tickets and each bundled element (hotel, tour, or attraction) via a five point Likert scale. Several other filler questions were included. A MANOVA was employed using SPSS 24 to analyze the data. A Bonferroni correction was included to account for multiple ANOVAs being run.

Analysis and Results

The overall MANOVA indicated a statistically significant difference in intention to purchase the promotion bundles based on the sports tourists’ fan type, $F(6, 520)=2.93, p<0.008$; Wilk’s $\Lambda=0.936$. Between the groups, the sports tourist fan type has a statistically significant effect on intention to purchase for both Hotel ($F(2, 262)=3.52; p<0.031$), Tour ($F(2, 262)=6.87; p<0.001$), and Attraction ($F(2, 262)=4.41; p<0.013$). In terms of the resort Bundle, mean intent to purchase for social sports tourists’ ($M=2.69$) were not significantly different ($p=0.134$) than that of the focused tourists’ ($M=3.14, p=0.049$), but were significantly different than that of diehard fans ($M=3.14, p=0.134$). Diehard and focused tourist were not significantly different from one another ($p=1.000$). In terms of sports tourists’ intent to purchase the tour bundle, the social sports tourists’ intent ($M=2.73$) was significantly different ($p=0.008$) than that of the focused sports tourist ($M=3.26$) as well as that from that of the diehard ($M=3.41, p=0.004$). Again, the focused and diehard fan were not significantly different ($p=1.000$) from one another. In regards to the intent to purchase the attraction bundle, social sports tourist ($M=2.92$) but are not significantly different ($p=0.450$) than diehard tourist ($M=2.70$). Focused sports tourist and diehard sports tourist are not significantly different ($p=0.912$) in regards to this measure (Figures 2 and 3).

Discussion

The major purpose of this research was to explore which type of marketing promotional bundles are most likely to increase purchase intent among different sports tourists segments. To do so, a quasi-experiment was performed at a professional basketball (NBA) preseason game. Overall the results indicate that, in agreement with segmentation theory [15-17] and benefits segmentation [16-18], different sports promotion bundles are more attractive to different types of sports tourists. Therefore, the first hypothesis is supported. It was further hypothesized that social sports tourists would be most interested in bundles that included a resort bundle. The results did not support this hypothesis as social tourists were less interested across all bundles presented.

The remaining hypothesis were only partially supported. The focused and diehard segments held the same level of intent to purchase for each of the three (resort, tour, and attraction). Based on segmentation theory [15-17] and the needs and different benefits of focused and diehard fan, it was hypothesized that these fans would differ in their intent to purchase different bundles. The explanation of these unsuspected results may lie in one of two reasons: history (or lack thereof) and lack of congruence between the sports fan being targeted (Hornets basketball) and the sport attraction being offered (NASCAR).

![Figure 1: Students administer questionnaires to hornets’ fans before the game.](Image)

![Figure 2: Grand means for likelihood to purchase hornet’s home game bundles.](Image)

![Figure 3: Likelihood to purchase a hornet’s home game bundle between different sports tourists segments.](Image)

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racing). In terms of history, the literature suggest that diehards’ level of investment in the team does not change much regardless of the success or failure of the team over time [27]. This does not hold true for the focused fan who may switch to follow another team if the team in question (in this case the Hornets) begin to lose [27]. Focus fans could be dichotomized as holding “high focus” or “low focus” based on the team’s history. As such, history effects focused fans group more than diehards. In addition the exhibition game marked the start of the season so at this time the team had not lost any games. These two events may have resulted in focused fan to respond as highly focused. In this case their likelihood to purchase may closely mimic that the diehard sports tourist. In terms of sport and team congruence, one of the drawbacks of the quasi experiment is that the attractions suggested have to be real and relevant to the location of the home team to which the sports tourist will travel to. To this end the NASCAR Hall of Fame was selected as the attraction. While the NASCAR Hall of Fame is among the premier sports attractions in the nation, its inclusion dictates an underlying assumption that 1) diehard Hornets fans are also vested in NASCAR at a diehard level and 2) that focus Hornets fans are invested in NASCAR at a focused level. Indeed, the diehard Hornets fan could be a focused NASCAR fan and vice versa. Both these conditions threaten and call into question the internal validity of the study and should be addressed in future studies.

Conclusion

In summary, sports teams traditionally have a large fan base outside of their host city. This paper applies segmentation theory to sports fans and adapts the different categories of sports tourism to create different categories of sports promotion bundles. To our knowledge, neither concepts have been applied to hospitality and tourism studies. Marketers for teams, hotels, attractions, transportation and the city itself have a vested interest to tap into this fan group and transform them into sports tourists. This study provides evidence that different research bundle have on different segments of sports tourist. The findings from this study hold implications for practitioners and researchers alike.

Managerial implications

This paper should be of interest to marketers and managers as they work to create programs to attract sports tourist. Most notably for practitioners, this research suggests that sports fans can be segmented by benefits as sports tourist. As the benefit to segmentation is to increase the efficiency of marketing, this study points to an opportunity for practitioners to do such. This research suggests that diehard and focused tourists view the promotional bundles offered similarly. Marketers and managers seeking to attract these two segments may do so with one promotional message. This research further suggests that practitioners do not attempt to attract social fans with the same offers given to diehard or focused fans.

Implication for future research

The unpredicted similarities between the diehard and the focus sports tourists deserve further attention. More specifically, research that investigates when and if focus fans purchase intentions and other attitudes and behaviors mimic that of diehard fans should be investigated. In addition research that controls for the congruency between the fans’ sport and the attraction should be further explored. In closing, while research on benefits segmentation has flourished, the application of segmentation to the sports tourist is limited. Indeed sports tourist could be segmented on several different needs requiring the identification of different segments and the creation of scale to measure each. As the sports tourist is an important part to the tourism landscape, this paper calls for additional research within this area. The hope is that such will be explored in other marketing activities and promotions beyond ticket plus category bundle and that this paper sparks further research and discussion within sports tourism.

References


