LEEDing the Way to Revenue: Examining Fans' Willingness to Support "Green" Initiatives

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5:00-5:25 PM, Hubert/Charles **(including questions)**

Environmental sustainability (ES) has received significant attention from scholars within the sport management academy and beyond (cf., Engqvist Jonsson & Nilsson, 2014). The economic benefits realized by sport organizations' commitment to ES are trifold: (1) reduced costs (e.g., energy consumption), (2) increased employee satisfaction, and (3) increased willingness to pay by consumers (Kellison & Kim, 2013). Within sport, the economic benefits of organizations' ES has received little attention, with the lion's share focusing on the savings organizations realized from implementing ES initiatives. However, sport organizations may be able to generate additional revenue through price premiums on ES initiatives. A recent study revealed NHL fans were found to be 19 times more likely to donate time or money to environmental causes and 20 times more likely to pay more for eco-friendly products and services compared to the average U.S. adult (NHL Public Relations, 2014).

The NHL has fully embraced ES and have been very public about their ES efforts and promoted how their teams have decreased their carbon footprint. However, the degree to which sport organizations have embraced environmentally sustainable practices varies considerably. For example, a thorough search of the New York Jets website revealed very little on the topic, just one press release from 2009 on the ES of MetLife Stadium. Yet, within the same league, the Philadelphia Eagles have become one of the pioneers in this area and environmental concern is one of their organizational values (Blankenbuehler & Kunz, 2014). As ES has become engrained as part of the Eagles' organizational fabric, it is not surprising that Eagles' fans were more likely to purchase a ticket if a $5 'Green Fee' was added to the cost of the ticket than when no such fee was present (Drayer, Kunkel, & Greenhalgh, 2016).

Given that both NHL and Eagles' fans indicated a willingness to pay more for ES initiatives, it is important to further understand this preference for supporting ES initiatives. For example, the NHL and the Eagles clearly spend significant monies on ES initiatives through both specific technologies such as solar panels and wind turbines as well as through the promotion of these programs. So are Eagles' fans willing to pay more for "green fees" because of the degree to which the organization has promoted ES or is the importance of environmental initiatives enough to compel people to pay more, regardless of the degree of investment by the sport organization?

To examine these questions, we followed the methods of Drayer et al. (2016) and utilized price partitions to determine whether fans of a sport organization were willing to pay more for green fees. Using price partitioning, organizations present prices to consumers by breaking down the total price of a product into two or more mandatory components (Hamilton & Srivastava, 2008). In theory, price partitioning allows consumers to attach value to each individual component making it easier for marketers to assess where consumers may or may not see value (Hamilton & Srivastava, 2008). In the case of the previous study by Drayer et al. (2016), consumers indicated that they would rather pay $90 for a ticket instead of $85, provided that the $90 price included $5 towards the Eagles' ES initiatives. However, Eagles' fan are bombarded with reminders of the team's ES initiatives both in the form of the very visible technology throughout the stadium as well as through various promotional messages.

In this current study, rather than experiment on Eagles' fans, we conducted research on fans of the NY Jets, a team that does not participate in any programs related to ES. We utilized a 2 (Price offer format: embedded vs additional cost) x 2 (Level of price increase: low - $5 vs. high - $15) factorial between-group design. The control group received a traditional ticket offer for $85 with no reference to the NY Jets' environmental initiatives. Group 2 received a $90 offer that included an embedded $5 fee; Group 3 received a $100 offer that included an embedded $15 fee; Group 4 received a $85 offer that required a $5 additional fee; Group 5 received a $85 offer that required a $15 additional fee. All fees (embedded and additional) were labelled to help the NY Jets achieve LEED certification. The core elements

of the product (game and seat location) were held constant within all scenarios. A total of 349 respondents (between 66 and 74 respondents per scenario) completing an online survey were recruited via Qualtrics. Respondents represented the NY Jets' fan base and were screened to have attended at least one game within the last three years. The survey asked about participants' attitudes including fairness perceptions, perceived value of the ticket, and purchase intentions.

Results indicate group differences. MANOVA results revealed a significant main effect ($F(12, 905) = 1.748$, $p = .053$, Wilk's $\Lambda = .941$, partial $\eta 2 = .020$) for the five groups. Perceived fairness was rated lowest for Group 1 ($M = 4.61$) and highest for Group 2 ($M = 4.99$), with mean scores for Group 3 ($M = 4.78$), Group 4 ($M = 4.94$), and Group 5 ($M = 4.82$) in between. However, group differences were not significant ($p = .094$). Perceived value was rated lowest for Group 5 ($M = 4.98$) and highest for Group 4 ($M = 5.53$), with mean scores for Group 1 ($M = 5.03$), Group 2 ($M = 5.31$), and Group 3 ($M = 5.14$) in between. However, group differences were not significant ($p = .463$). Purchase intention was rated lowest for Group 1 ($M = 4.71$) and highest for Group 4 ($M = 5.35$), with mean scores for Group 2 ($M = 5.33$), Group 3 ($M = 5.20$), and Group 5 ($M = 4.74$) in between. Group differences were significant ($p = .026$). Post-hoc test revealed that Group 2 and Group 4 showed significantly higher purchase intentions compared to Group 1. MANCOVA results did not reveal a significant main effect ($F(12, 895) = 1.748$, $p = .053$, Wilk's $\Lambda = .941$, partial $\eta 2 = .020$) for the five groups. However, the covariates of age ($p < .001$) and team attachment ($p < .001$) were significant, whereas the covariates of education ($p = .228$) and income ($p = .334$) were not significant.

Findings support previous research (Drayer et al., 2016) that football fans indicated a preference for paying slightly higher prices for tickets, provided they were supporting an ES initiative. In this case, it did not matter that the NY Jets have done little to integrate ES in their brand or promote ES. Two interpretations are likely: 1. Given the significance of team attachment as a covariate, hardcore fans want to support team initiatives in small increments, regardless of how integrated they are in the brand or how heavily they are promoted, or 2. ES is a prominent issue that citizens want to support and price partitioning effectively extracts that desire to give. Implications stemming from these findings will be discussed along with suggestions for future research.

References

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