

Understanding the Impact of the Variables Determining Loyalty Status of Fans Belonging to Three Psychographic Profiles : Experienced, Strugglers and Strivers w.r.t. IPL Franchises

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Abstract

The current research was carried out to understand the various variables that create brand loyalty for IPL franchises and also to understand their dependence with three psychographic segments i.e. strivers, strugglers and experiencers, a focus group discussion was carried out to understand the variables which create brand loyalty, the results revealed that star players, excitement and attachment are the three variables which create fan loyalty. These variables were then cross tabulated with three psychographic segments and then hypothesis testing was carried out using a chi square test of independence. The results from the testing of the hypothesis revealed that the two variables i.e. types of segments and feel high are significantly dependent on each other and the results of second hypothesis revealed that the two variables i.e. types of segments and Merchandise association are independent of each other.

Key words: Psychographic segmentation, Chi square test of Independence, IPL.

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1. INTRODUCTION

A recent Forbes magazine article about the National Football League notes that "The NFL's 32 teams are worth, on average, \$1.17 billion (each)." This compares to the world's top 20 soccer teams' worth of \$968 million, the average worth of Major League Baseball's 30 teams at \$744 million and average values for the NBA teams of \$509 million. Aside from the extremely lucrative TV deals, the teams of the NFL realize substantial revenue from the sale of licensed merchandise, which can include anything from t-shirts to toilet tissue with the team's logo prominently affixed.

Best guess estimates on sales figures for this merchandise are of \$3 billion each year. The NFL brand is so strong and so popular that even missteps from the commissioner – from the questionable "Bountygate" penalties to rule changes which erode the foundation of the game – fail to tarnish its polished image. Making this well-oiled machine continue to print money requires a lot of people. The staff of NFL Properties is composed of hundreds of marketers, licensing experts and more than a few attorneys. It works with its board of directors, the owners of the 32 teams, to rigorously maintain the integrity and uniformity of the NFL brand. Why? This brand has some of the best-known logos, mascots and merchandise on the planet and the league wants this cash cow to remain pristine.

However, managing a brand can be a tricky thing, especially when this involves a group of customers – the NFL fans – who are the most outrageous, passionate and loony renegades in the world. (Ozani, 2013).

- **Leagues and League Systems:** "League" and its synonyms may be used to encompass either a single competition or a related group of competitions. In the United States, leagues are often divided into subdivisions on historical or geographical lines. These may be referred to as conferences or divisions, as with the National Football Conference and American Football Conference in the National Football League, or the Eastern and Western Conferences of the National Basketball Association and National Hockey League. The NFL's "AFC" was formed largely from the remnants of the American Football League, though it also contains three original NFL teams and three expansion teams.

In other parts of the world, and especially in association football, where promotion and relegation is common, the term "league" may be used to refer both to a league system, a group of leagues that are tied together in a hierarchical fashion by promotion and relegation, and to the individual leagues within the league system. For example, the Football League in England and the Bundesliga in Germany are both association football league systems

- **IPL:** The IPL is a Twenty20 cricket tournament which was inaugurated in 2008. During the same period Zee "Indian Cricket League" was operational. Twenty20 cricket was first introduced at a competitive level by the England and Wales cricket board in 2003 but the Indian Premier League is largely credited with being the institution that projected the format of the game onto the world stage.

The Indian Premier League was initiated by the Board of Control for Cricket in India (BCCI) and has been an enormous success. The annual tournament, played in the months of April and May has gone from strength to strength and is largely viewed as being the 'richest' tournament in

world cricket. There are the eight franchises that field teams to play in the IPL (in brackets original cost of franchise in \$/million): Chennai Super Kings, CSK (91) Delhi Daredevils, DD (84) , Kings XI Punjab, KXIP (76) ,Kolkata Knight Riders, KKR (75.1) ,Mumbai Indians, MI (111.9) , Rajasthan Royals, RR (67) ,Royal Challengers Bangalore, RCB (111.6), Sunrisers Hyderabad, SRH (159). (World Heritage Encyclopedia, n.d).

2. LITERATURE REVIEW

Campbell, et.al. (2002), Brand extensions are attempts by companies to leverage consumer recognition into successful new product and service offerings. In the sport business, brand extensions have largely been limited to physical products, such as Gatorade creating energy bars or the National Football League (NFL) creating lines of clothing. Recently, sport leagues have begun to leverage their intangible product-the entertainment of the game to create brand extensions in the form of new sport leagues. The purpose of this paper is to examine the NFL's brand extensions: the World League of American Football (WLAF) and NFL Europe.

Introduced by **Park, Milberg, and Lawson (1991)**, the criteria for analyzing these extensions consists of two dimensions:

- Product feature similarity, or the degree to which the original product and the extension have the same product attributes, and
- Brand concept consistency, referring to the degree to which the original product's abstract meaning is passed on to the brand extension.

Following a summary and evaluation of the WLAF and NFL Europe products, the authors offer strategic suggestions to other leagues considering similar brand extension endeavors **Sion et.al. (2010)**, the paper reports on a preliminary study of the application of line and brand extension strategies by Football Association Premier League football clubs. It looks initially at the factors which have led clubs increasingly to consider extending their lines and their brands.

In this context, a range of issues that should be considered for successful line and brand extension in football is established. Utilizing primary research, this is supported by an exploratory investigation into the nature and scope of the line and brand extension strategies employed by Premier League football clubs.

The paper concludes by detailing recommendations for clubs and for other academics interested in seeking to explore this rapidly changing area. **Bhattacharya (2007)** Article focuses on the growing **spa industry** in **India**. It states that the said industry has been attracting the attention of both local and international consumers.

Among the factors that contribute to its increasing demand include consumer awareness about concepts of beauty and wellness, rising demand for exclusive and customized beauty and wellness services that only offered in spas, and the interest of consumers in experiencing Indian ayurvedic and herbal therapies. **Edward, et.al. (2006)**.

The article presents information on new group tours launched by the tour operator Cox and Kings for its **India 2007** programme. The tour operator is targeting a **growth** rate of up to 15%. According to Simon Grove, product manager for **India** and the subcontinent, the available product needs to be expanded to fulfill the growing demand. Attractive destinations in **India**, Nepal and Sri Lanka are featured in the programme.

The tour will feature the Ananda Spa, **India**, one of the best **spas** in the world. Reports on the effort of sandwich chain **restaurants** in the United States to seek **growth** through **health**-focused items and marketing. Offer of low-carbohydrate sandwiches and salads; Management changes at Fort Mouthaan and Baja Fresh Mexican Grill; Enhancement in the children's meal offerings at Culver's Frozen Custard and Butter Burgers. **Simon et.al. (1998)**. Their article features two **spas** in **India**. The Kaya Kalp boasts a 25-meter lap pool surrounded by fruit bearing trees and relaxing areas intended for its guests.

3. PROBLEMS AND NEED FOR THE STUDY

IPL like other leagues has huge fan following, one of the advantages of such a huge footprint is that the loyalty of fans can be used for extending the brand to other related and unrelated product category, the basic premise is that the fan loyalty can be easily translated into customer loyalty for these franchises. Other international leagues have extended their brands into various product categories like apparels etc. Similarly IPL can extend its brand to other product categories like apparels, coffee shops etc.

This research paper tries to understand the various variables which are responsible for creating brand loyalty in IPL league. Since lifestyle of an individual is important in decision making w.r.t his purchase criteria hence, the next important area that the researcher felt needed to be understood was the agreement status of three important psychographic based segments i.e. strivers , strugglers and experiencers ,with respect to agreement on loyalty determining variables. The current research tries to understand the variables that create loyalty of fans for IPL teams, there

4. OBJECTIVES OF THE STUDY

- To explore the variables determining IPL fan loyalty status.
- To determine agreement status of the three psychographic profiles (strivers, strugglers and experiencers) w.r.t. various loyalty determining variables for IPL fans.
- To understand if there is dependence between the two variables i.e. psychographic profiles and happiness of team win.
- To understand if there is dependence between the two variables i.e. psychographic profiles and team association.

5. RESEARCH DESIGN AND METHODOLOGY

Donald & Schindler (2007) Research methodology typically involves a full breakdown of all the options that have been chosen in order to investigate something. This would include the procedures and techniques used to perform the research , as well as any of the terminology and explanations of how these methods will be applied effectively. In this Paper Researcher embraced both exploratory qualitative and Survey based Quantitative approach.

For obtaining qualitative based Primary Data that is to identify the variables which are important for consumers in buying decisions of cosmetics, an Focus Group Discussion (F.G.D) was conducted with Eight IPL fans in Mumbai. The most important reason for conducting the FGD was to identify the variables which were important for consumers Loyalty towards a sports Team.

❖ **Variables Under study.**

• **Dependent variables**

1. Feel high
2. Association

• **Independent Variables**

1. Psychographic segments

❖ **Hypothesis Generation:** The results of focus group discussions revealed that the star players, feel high and association were important variables in determination of loyalty amongst fans of IPL, hence there was a need to understand the dependence between these variables and fans belonging to three psychographic segments. Hence the following hypothesis were formed. The data was cross tabulated and hypothesis was tested using Chi square test of independence.

H01 : The two variables, types of segments and feel high are independent of each other.

H02 : The two variables types of segments and Association are independent of each other.

6. DATA ANALYSIS AND RESULTS

The current research tries to understand dependence between various variables that determine IPL fan loyalty and three psychographic segments i.e.

❖ **Experiencers:** These are individuals who are motivated by self-expression and are high on resources, they appreciate the unconventional. They are active and impulsive, seeking stimulation from the new, offbeat and risky. They spend a comparatively high proportion of their income on fashion, socializing and entertainment.

❖ **Strivers:** These individuals are motivated by achievement and are high on resources; they are trendy and fun loving. They have little discretionary income and tend to have narrow interests. They favor stylish products that emulate the purchases of people with greater material wealth.

▪ **Strugglers or Survivors:** They lead narrow focused lives, as they have fewest resources, these individuals do not exhibit primary motivation and are often seen to be powerless. Their main concern is safety and security, and hence they are more brand loyal and they buy discounted merchandise.

▪ **Question 1:** Results indicated that majority of all the segments strongly agree that IPL teams with star players generate more fan loyalty.

Table 1: Statistics-Emotional

Experiencer	N	Valid	26
		Missing	0
		Mode	3.00
Striver	N	Valid	26
		Missing	0
		Mode	4.00
Struggler	N	Valid	27
		Missing	0
		Mode	2.00

From the above output we can see that modal value for Experiencers is 3 which suggest that they Strongly Agree that they are emotional towards their IPL team, whereas Strivers modal value is 4 suggesting that they disagree that they neither Agree nor Disagree that they are emotional towards their IPL team. Finally for Strugglers have a modal value of 2 which indicates they slightly Agree that they are emotional towards their IPL team.

Table 2: Segments * Feel_High Cross tabulation

		Count							Total
		Feel_High							
		1.00	2.00	3.00	4.00	5.00	6.00	7.00	
segments	Experiencer	13	8	2	1	0	1	1	26
	Striver	8	6	5	3	2	2	0	26
	Struggler	0	19	4	0	4	0	0	27
Total		21	33	11	4	6	3	1	79

From the above cross tabulation of we can see that a majority of experiencers (13) strongly agree that they feel high when their favorite IPL team does well, whereas strugglers are zero in this category.

H₀₁: The two variables types of segments and feel high are independent of each other.

When we run a chi-square test for independence we can see that pearsons chi-square value at 5 level of significance is .001 when we compare this value with alpha value 0.05 we see that significance value is smaller than the alpha value hence we reject the null hypothesis and conclude that there is significant dependence between the two variables.

Table 3 : Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	33.721 ^a	12	.001
Likelihood Ratio	42.784	12	.000
Linear-by-Linear Association	2.217	1	.136
N of Valid Cases	79		

Q. 2. Table 4 : Segments * Associate Cross tabulation

		Count						Total
		Associate						
		1.00	2.00	3.00	4.00	5.00	6.00	
Segments	Experiencer	4	2	4	5	5	6	26
	Striver	1	3	5	6	3	8	26
	Struggler	4	0	4	7	12	0	27
Total		9	5	13	18	20	14	79

From the above cross tabulation of we can see that a majority experiencers (6) strongly disagree and a majority of strivers (8) strongly disagree and majority of Strugglers disagree that they associate themselves with their IPL team by wearing merchandise of the IPL team

H₀₂: The two variables types of segments and Association are independent of each other.

When we run a chi-square test for independence we can see that Pearson's chi square value at 5 level of significance is .932 when we compare this value with alpha value 0.05 we see that significance value is higher than the alpha value hence we ACCEPT the null hypothesis and conclude that the two variables are independent of each other.

Table 5: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.222 ^a	10	.038
Likelihood Ratio	25.200	10	.005
Linear-by-Linear Association	.007	1	.932
N of Valid Cases	79		

7. CONCLUSION

This research was conducted to understand the various variables that determine what generates loyalty towards franchises amongst IPL fans, it was found that Star players, Emotional attachment and team performance are major variables that determine loyalty status of IPL fans w.r.t. their preferred teams. The research also found that Fans belonging to all the three segments strongly agree that IPL teams with star players generate more fan loyalty, further it was also found that Experiencers are most emotional towards their IPL team, strivers have a neutral emotional attitude, and strugglers are slightly emotional towards their IPL team.

The results from the testing of the hypothesis revealed that the two variables i.e. types of segments and feel high are significantly dependent on each other and the results of second hypothesis revealed that the two variables i.e. types of segments and Merchandise association are independent of each other.

8. MANAGERIAL IMPLICATIONS

The current research has found out the various variables which determine loyalty status of fans w.r.t. IPL franchises, these variables are star players, emotional attachment and team performance, this can be used by managers of these franchises to create loyalty among their fans. This research will help them to increase fan loyalty of IPL franchises and hence will assist them in brand extension of the franchises into related and unrelated product categories like apparels, coffee parlors, fast food joints etc.

9. LIMITATIONS OF RESEARCH

The research suffers from limitations of sample size and sampling process as convenience sampling was used to collect primary data, further only Psychographic Segmentation is taken into consideration without taking into consideration demographic data specifically income group, this is the biggest limitation of this research.

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