

Understanding Sport Consumers within Competitive Markets

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Certificate of original authorship

I, Hunter Fujak declare that this thesis, is submitted in fulfilment of the requirements for the award of Doctor of Philosophy, in the Business School at the University of Technology Sydney.

This thesis is wholly my own work unless otherwise referenced or acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis. This document has not been submitted for qualifications at any other academic institution. This research is supported by the Australian Government Research Training Program.

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Statement of thesis format

This thesis is submitted by compilation format, including five published or under review journal articles. Chapter one introduces the thesis before chapters two through six presents the five studies. The studies are presented in accordance with the format required by their corresponding journal submission, however attempts have been made to standardise the thesis to British English where appropriate. Chapter seven provides a discussion of the overarching thesis and concludes the document.

Publications arising from the project

Journal articles

Fujak, H., Frawley, S., McDonald, H., & Bush, S. (2018). Are sport consumers unique? Consumer behavior within crowded sport markets. *Journal of Sport Management*, 32(4), 362-375.

Fujak, H., Frawley, S., & Bush, S. (2017). Quantifying the value of sport broadcast rights. *Media International Australia*, 164(1). 104-116.

Conference presentations

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Fujak, H., Frawley, S., & Adair, D. (2017). *Quantifying the sport consumer's shopping basket*. Paper presented at 23rd Sport Management Association of Australia and New Zealand Conference, 29-1 December, Gold Coast, Australia.

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Contribution of authors

Paper	Authors	Contribution	Signature
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Abstract

The past half century has seen the transformation of many sporting organisations into sophisticated commercial businesses (Stewart, 2007). The global sport industry itself has become economically substantial, with underlying finances – revenue and expenditure – the subject of vigorous scholarship. Unsurprisingly, research into the commercial management of sport requires an understanding of its market and competitors. Within that context, the position of consumers has attracted considerable interest from scholars – theorised as distinctive by virtue of ‘irrational’ passions that command high levels of product and brand loyalty, relentless optimism and vicarious identification (Smith & Stewart, 2010). Herein, though, lies a paradox. The sport landscape is now highly congested, with more competitors than ever, but we know little about how consumers influence sport markets in the context of unprecedented growth and choice options (Baker, McDonald, & Funk, 2016). This represents a substantial disconnect, both in terms of theory and practice, given that market behaviour in other highly competitive repeat-purchase industries has been researched thoroughly (Ehrenberg, Uncles, & Goodhardt, 2004). As sport increasingly adopts broader management practices, understanding such market behaviour is critical to defining the position of ‘sport management’ as a unique discipline (Chalip, 2006).

Given the research gap, this thesis explores the structure of sport markets and their participants. The research is comprised of five discrete but interconnected studies, utilising a multimethod quantitative design. Four datasets primarily underpin the project. Surveys of 27,412 and 1,498 respondents comprehensively capture the sport attitudes, preferences and behaviours of Australian residents, while two television ratings datasets elucidate the behaviour of the broader market. Evaluation techniques applied include: Latent Class Analysis (Hagenaars & McCutcheon, 2002), Dirichlet Modelling (Ehrenberg, 1971) and variant methods of Analysis of Variance and Regression.

Significant findings emerge. First, the research determines that sport consumers behave in observable patterns, leading to market structures that are predictable through Dirichlet modelling. This means that although the sport industry may contain distinctive consumer characteristics, its consumption patterns and market structures are hardly dissimilar to many other consumer product categories that are purchased regularly. Second, sport fans consume sport contests within a repertoire-purchase pattern; hence, they treat sport leagues or teams as complementary products. This is perhaps the most fundamental behavioural characteristic of repeat-purchase consumer markets, yet it has been virtually ignored in commercially-focused sport management research. The finding is also significant for practitioners as it runs counter to the long-perpetuated portrait of the 'irrationally' loyal sport fan. Rather, sport teams share their fans and must reorient their strategies accordingly. Third, market segmentation determines that 37% of the population are rejecters of sport. This finding is significant given that the body of sport consumer research has focussed inordinately on a narrow subset of highly engaged fans, despite that sport category being far from ubiquitous within the population. In sum, these findings make it imperative that researchers of commercial sport adopt a market-level view in which the sport product is positioned within a broader entertainment context and its consumption evaluated beyond its most avid customers. By exploring a reconceptualisation of the sports market, the thesis provides a much-needed framework by which to facilitate new research in commercially-focused sport management.