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Customer loyalty in entertainment venues: The reality TV genre



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ABSTRACT

Current knowledge regarding the drivers of consumers' loyalty in service contexts remains limited as findings from extant studies differ; possibly because in service settings drivers of loyalty are context specific. This study contributes toward better understanding of the drivers of consumer loyalty in service contexts through investigation of the \$750 billion U.S. entertainment industry. Findings from the entertainment industry should generalize to several other important service areas including spectator sports, Internet and social networking sites.

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1. Introduction

Customer loyalty is among the most important outcomes sought by product and service providers. As a result, significant amounts of empirical attention focus on understanding various antecedents of consumer loyalty. Unfortunately findings across extant studies differ (e.g., Chiou & Droge, 2006; Liang & Wang, 2008; Michaelidou & Dibb, 2009; Ramirez & Goldsmith, 2009); possibly because the drivers of consumer loyalty often are context specific. This is especially true in the area of loyalty in service contexts. For example, the drivers of consumer loyalty to doctors and financial advisors likely are quite different from the drivers of loyalty to insurance companies and entertainment franchises. As a result, leading scholars continue to call for research to help fill gaps in the understanding of consumer loyalty in service contexts (e.g., Lemon, 2010; O'Cass, Song, & Li, 2013).

One important service context receiving limited prior research focus is entertainment; with sporting venues receiving the greatest research attention. However, of the 2012 estimated \$759 billion in U.S. entertainment revenues, sporting venues account for only \$25.9 billion (Plunkett Research Ltd., 2012). Other important segments of entertainment include movie theater revenues — \$10.8 billion (Kaufman & Verrier, 2012), DVD revenues — \$18.0 billion (Golum,

2013), video games revenues — \$16.6 billion (Morris, 2012), and television revenues — \$71.8 billion (Elliott, 2012). Among the top ten advertising revenue producing 2012 TV shows, three are reality shows: American Idol \$531.2 million, X-Factor \$321.9 million, and Dancing with the Stars \$103.4 million (Pomerantz, 2012; TVGuide.com, 2013). Given these large revenue producing opportunities, consumers' loyalty to a favorite fiction franchise, sports team, and reality TV show represents significant profit opportunities.

2. Research context

The reality TV context is appropriate in this research for several reasons. First, television in general, and reality TV shows in particular, represent an important part of entertainment revenues. Second, these shows provide an important platform for advertising/brand association. Third, reality TV shows are pure service; the consumeraudience receives nothing tangible. Fourth, uniquely embedded within reality TV shows are potentially important drivers of consumer loyalty in service contexts including involvement, self-brand connection (Sirgy, Lee, Johar, & Tidwell, 2008), fulfillment, and coproduction (Belk, Ger, & Askegaard, 2003; Vargo & Lusch, 2004).

Additionally, while the findings of this study are important for the entertainment industry in particular, the findings also have significant implications for advertisers. Reality TV shows are an integral part of the daily routine of many viewers across the globe (Ewing, 2008). Over recent years more than 700 reality TV shows aired in the U.S. alone (RealityTVWorld.com, 2013). As such, reality TV shows provide a highly sought after platform for advertisers.

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3. Literature review and hypotheses

Fig. 1 depicts the hypothesized model developed through a review of academic literature focusing on entertainment, sports marketing, and consumer behavior; articles published in the business press; and informal exploratory interviews with reality TV show viewers. Select excerpts from the exploratory interviews serve as anecdotal examples of several study assertions.

3.1. Self-brand (show) connection

Parasocial relationship theory examines the association between television viewers and media personalities (Cohen, 2004). According to this theory viewers develop relationships with celebrities whose personalities are congruent with viewers' self-perceptions. In many ways these celebrities are considered brands (Luo et al., 2010). The brand management literature refers to the congruency between consumers' self-concept and the brand (celebrity) image as self-brand connection (Moore & Homer, 2008). Research focusing on these types of relationships shows a positive association between viewers' self-brand connection and viewers' involvement with and commitment/loyalty to the celebrity brand (Hartmann & Goldhoom, 2011).

Similarly, sports franchises are brands (Ross, James, & Vargas, 2006). Within the sports literature researchers utilize social identity theory to examine the influence fans' self-perceptions have on the connection felt toward a favorite sports franchise (Funk & James, 2006; Gwinner & Swanson, 2003). Findings in this area suggest that self-team identification increases fans' involvement with the team, leading to a positive influence on fan-team loyalty (Wu, Tsai, & Hung, 2012).

Popular reality TV shows also are brands (Wasserman, 2004). In this context, many interviewees state that the connection felt with characters in a show keeps them interested in the show. For instance, an interviewee discusses America's Next Top Model:

The drama between all the models is so entertaining to watch since they fight over stupid things and backstab each other, which is what often happens in real life friendships. Knowing you're not the only one who has been stabbed in the back by someone you thought was your friend is comforting on some level.

This study defines self-show connection as viewers' ability to identify with the show, as well as viewers' ability to see themselves reflected in the interactions among show participants.

 H_{1a} . Self-show connection is positively related to involvement with the reality TV show.

 $\mathbf{H_{1b}}$. Self-show connection is positively related to loyalty toward the reality TV show.

3.2. Fulfillment

This work defines fulfillment as the need gratification viewers receive from watching the actions of participants and judges on reality TV shows. Partially anchored within the envy theory of needs, Belk et al. (2003) describe this type of need fulfillment as consumption fantasies facilitated through television viewing, Internet surfing, and observing others' activities. Many people experience consumption fantasies *vicariously*; consuming through others what one cannot experience (consume) oneself (d'Astous & Deschenes, 2005). Consumers experience vicarious fulfillment in many mediums including books, movies, television, and spectator sports (Kim, Morris, & Swait, 2008; Mowen, 2004). In these contexts consumers often are more loyal to a favored character or celebrity (Funk & James, 2006).

As with self-brand connection, sports researchers examine the vicarious fulfillment fans experience through the lens of social identity theory (Gwinner & Swanson, 2003; Wu et al., 2012). According to this theory, fans vicariously fulfill personal desires for achievement through the success of a favorite team and/or player. This enhances fans' self esteem which increases levels of involvement and loyalty (Funk & James, 2006).

The reality TV medium also offers consumers the opportunity for vicarious fulfillment. For example, one interviewee gives the following reason for watching her favorite reality TV show:

It's like a life I never thought could exist if it wasn't for this show. It is so different from my life. I watch it because I imagine what my life would be like if I had all the money and didn't have to worry about bills and if I had all these pretty friends and a cool job and hot guys everywhere.

Interestingly, many reality TV shows also offer negative components that provide the means for a different form of fulfillment. For example one interviewee states:

Yes, I do like the show. It's fun to watch all of the mess ups in the beginning when every one is trying out. I like to watch the really, really bad ones who embarrass themselves on national TV. It is sometimes hilarious.

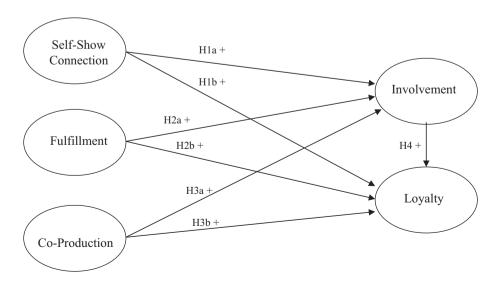


Fig. 1. Hypothesized model.

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