THE IMPACT OF SERVICE QUALITY AND SPORT-TEAM IDENTIFICATION ON THE REPURCHASE INTENTION

Branimir Oman*
Mario Pepur**
Josip Arnerić***

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During the last few decades, the role of the service sector in the overall economic activities has become more significant in many countries, particularly the most developed ones. This has provoked increased scholars’ interest so they have begun researching many service markets more extensively. Their interest has been further stimulated by growing competition, development of new technologies and changes in consumer behaviour. These market changes have forced sport clubs’ management to focus on providing higher service quality and strengthening team identification among consumers. The research presented in this paper was conducted on the fans of the Croatian football club Hajduk Split and it examines the relationship between service quality and team identification on the one hand and service quality and repurchase intention on the other as well as the intermediary role of word-of-mouth communication in the relationship between service quality and repurchase intentions. The results show that there is an indirect positive influence of service quality on repurchase intention through word-of-mouth communication, as well as a direct positive link between team identification and repurchase intention.

Keywords: service quality (SQ), word-of-mouth (WOM) communication, team identification (TI), repurchase intention (RI), sports market.

* Branimir Oman, mag.oec., Phone:+385-95-573-0494, e-mail: brane989@gmail.com
** Mario Pepur (corresponding author), PhD, Assistant professor, University of Split, Faculty of Economics, Department of Marketing, Cvite Fiskovića 5, 21000 Split, Croatia, Phone:+385-21-430-737, Fax:+ 385-21-430-750, e-mail: mpepur@efst.hr
*** Josip Arnerić, PhD, Assistant professor, University of Zagreb, Faculty of Economics, Department of Statistics, Trg J.F.Kennedyja 6, 10000 Zagreb, Croatia, Phone:+385-01-238-3361, e-mail: jarneric@efzg.hr
1. INTRODUCTION

Sport has become a big business with many stakeholders involved including fans, players, clubs, leagues, governing bodies, players’ associations and agents, gamblers, rights owners, sports equipment manufacturers, broadcasters, sponsors of players, clubs, leagues, events, etc. In the last twenty years, most major sports have reached the professional stage in their development and have been going through a fierce commercialization process since external sponsors and broadcasters have been investing large sums of money in them.

Football is the most popular sport in the world and also the sport attracting the largest investments. In 2012/2013, the overall size of the European football market was €19.9 billion (Sports Business Group, 2014) and it is, therefore, not surprising that the business of football has received increased research interest of academics in the last several years.

Although sponsorships and sales of club merchandise bring in substantial revenue to the clubs, most of the revenue is still generated by single-game and season ticket sales (Theodorakis et al., 2009). It is evident that there is an increasing need to better understand the fans’ wishes and needs in order to maximize the revenues. Given a large number of European countries, football differs from country to country in both cultural and traditional senses (Barthold, 2009). These differences are particularly noticeable in the football match attendance, revenues and finally the results on the continental level. Therefore, when analysing football as a sporting event in different countries it is necessary to bear in mind the cultural environment.

Generally, the key success factor of service companies attempting to increase sales revenue is service quality as it leads to increased customer or fan loyalty and ultimately higher profits for organizations (Theodorakis and Alexandris, 2008). While it has been proved that service quality and customer loyalty are directly and positively related, the same has not yet been proved for sport as an industry (Theodorakis and Alexandris, 2008). The authors note that these differences are explained by the following variables previously documented in the literature: team identification (Robinson, 2005; Trail, 2004), fan motivation (Mahony, 2002; Robinson, 2004), involvement (Funk, 2002; Funk, 2004), and brand associations (Boyle and Magnusson, 2007; Ross, 2007). Fans are a big challenge to marketers (Boyle and Magnusson, 2007), but the great unknown is still what affects their loyalty. The success of a team has an important impact on fans. However, the team’s positive sports results only partly
influence fans’ behaviour but not enough to declare this mystery solved. Other drivers of fan loyalty are: history and tradition (35%), fan bonding (28%), pure entertainment (20%), authenticity (17%) (Forbes, 2013).

It is necessary to segment fans into more homogeneous groups as it will improve our understanding of fans as customers. Segmentation leads to a better perception of the differences between groups of fans, gives us the possibility to achieve better and higher quality communication with certain groups of fans, all of which ultimately have a positive effect on the financial side of the club’s business. Wann and Branscombe (1993) segmented fans into three groups (hard-core, average and casual) according to the level of their team identification and stated that through team identification an individual forms a psychological connection with the team.

The main contribution of this paper is that it highlights the profound importance of understanding fans and their needs better. Football fans of in the Republic of Croatia are the generators of both sport and financial success of their clubs, but have, as such, not yet received the necessary attention. Therefore, this survey attempts to give an insight into the importance of understanding and respecting the needs of fans who are both stakeholders of the success of individual clubs and of football in general. The institutions that manage football in Croatia, primarily Croatian Football Federation, but also the Association of Croatian Premier League clubs, should use the results of this research to better understand fans and their needs.

2. LITERATURE REVIEW

2.1. Service quality

The issue of service quality began to be intensively addressed in the 1980s. Research in this area produced numerous papers that can be classified into the following two groups: Nordic School and North American school. Christian Grönroos, the most important representative of the Nordic school, described marketing services as a process in which the interaction between the user and the service provider is in the foreground. Grönroos also proposed the technical and functional qualities as two dimensions of service quality. Technical quality refers to what the customer gets in interaction with the service organization, and functional quality refers to the way that the customer gets the service (Grönroos, 2001). In addition to technical and functional qualities, corporate image is an important element in delivering high-quality services by a service company.
The combination of all three elements contributes to a positive attitude towards the company that provides the service (Rahman et al., 2012, p. 203).

Parasuraman, the main representative of the North American school, was influenced by the insights of the representatives of the Nordic school and suggested that the quality evaluations were not based solely on the outcome of service, but also involved evaluations of other elements of the service delivery process (Kang and James, 2004, p. 267-268). Service quality is a subjective category. Besides the ideas and attitudes of the employees’ and the Board companies that aim to provide quality service must consider what the user has defined as quality. Parasuraman, Berry and Zeithaml (1988) defined service quality, as perceived by customers, as the degree and direction of discrepancy between customers’ perceptions and expectations. Parasuraman et al. (1985, 1988) were the first to introduce a model of service-quality and ultimately developed the SERVQUAL model that included only the functional dimension of quality with five (distinct) dimensions: tangibles, reliability, responsiveness, assurance, and empathy. SERVQUAL has since been the subject of criticism for being oriented only on the functional dimension of quality.

In order to measure the service quality in the participatory and spectators contexts, several models have been developed. All of the models have been based on the SERQUAL model despite numerous criticisms it has received. Theodorakis and Alexandris (2008) listed these models in participatory sport and leisure settings:

- the REQUAL model (Crompton et al., 1991) was one of the first published models that was developed for public recreation services. This model consists of four dimensions: assurance, reliability, responsiveness, and tangibility;
- the QUESC model (Kim and Kim, 1995) was developed for measuring the service quality in sports centres. The model consists of 12 dimensions of service quality: ambiance, employee attitude, employee reliability, social opportunity, information available, programmes offered, personal considerations, price, privilege, stimulation, convenience, and ease of mind;
- Howat et al. (1999) developed the CERM-CSQ (the Centre for Environmental and Recreation Management - Customer Service Quality) model which highlighted three dimensions of service quality: core services, personnel, and peripheral services;
- the SQFS model (Chang and Chelladurai, 2003), which was developed to explore the area of fitness services, consists of nine dimensions of service quality: service climate, management commitment, programs,
interpersonal interactions, task interactions, physical environments, other clients, service failure, recovery, and perceived service quality;
- the SQAS model (Lam et al., 2005) was also developed in the context of fitness services but includes six dimensions of service quality: staff, program, locker room, physical facility, workout facility, and child care;
- the SSQRS model (Ko and Pastore, 2007) was developed in the context of campus recreation sports and consists of four second-order dimensions: programme quality, interaction quality, outcome quality, and physical environment quality.

The principal purpose of sports service is the experience that the spectators gain at sporting events. Shilbury et al. (2003) argue that the fundamental sports product (service) is the reason why people go to sporting events. They also argue that the product consists of activities that offer fun to spectators who are willing to pay for that fun. No extensive research on the models of quality sports services for wider audiences has been conducted yet. Theodorakis and Alexandris (2008) mention three models that have been proposed so far in the sport spectators’ context:

- McDonald et al. (1995) developed the TEAMQUAL model in the context of professional basketball in the United States and based it on the five original SERVQUAL dimensions.
- Kelley and Turley (2001) developed a nine-dimension service quality model in the context of collegiate basketball in the USA. The nine dimensions are: employees, price, facility access, concessions, fan comfort, game experience, show time, convenience, and smoking;
- Theodorakis et al. (2001) developed a model in the context of professional basketball league in Greece. The 22-item model SPORTSERV consists of five dimensions (tangibles, responsiveness, access, security, and reliability).

2.1.1. Relationship of service quality and Word-of-Mouth (WOM) communication

Word-of-mouth communication is one of the most popular concepts for measuring consumer behavioural intentions (Sun and Qu, 2011). Different authors have defined this concept in different ways. Harrison-Walker (2001, cf. Sun and Qu, 2011, p. 211) defined the concept of word-of-mouth communication as "an informal form of communication between a non-commercial communicator and a receiver regarding a brand, product,
organization or service”. American Marketing Association (2014) states that “word-of-mouth communication occurs when people share information about products or promotions with friends”.

Given that the service industry is characterized by high levels of experience and confidence (Darby and Karni, 1973), which can lead to difficulties before and after the purchase (Zeithaml, 1981), word-of-mouth communication contributes to mitigating risk and helps the user during the selection process (Smith and Ennew, 2001, 5). Although many studies have proven that there is a significant relationship between service quality and word-of-mouth communication in the service sector, there is a lack of understanding of the characteristics of a key contributor to the very word-of-mouth communication (Sun and Qu, 2011, p. 210-211). Zeithalm et al. (1990) examined the relationship between customers’ perception of service quality and their willingness to recommend the service. In their paper, they reported a drastic difference in the perception of service quality of customers who would and those who would not recommend a service company to their friends.

A positive correlation between service quality and word-of-mouth communication was confirmed in the literature. Hartline and Jones (1996, cf. Sun and Qu, 2011, p. 212) studied the nature of the relationship between service quality, value and word-of-mouth communication. They found that the perceived service quality and perceived value are antecedents of the word-of-mouth communication. Service quality results in loyalty, attracting customers, positive word-of-mouth communication and ultimately in increased profitability (Smith and Ennew, 2001, p. 2). A positive word-of-mouth communication is considered important because of the impact it has on the performance of companies as it greatly affects new customer acquisition.

2.2. Team identification

Team identification has been recognized as a phenomenon closely linked to consumption in sport. Previous research has shown that higher levels of team identification have a positive effect on repeat attendance regardless of the level of service quality (Theodorakis et al., 2009). Ashforth and Mael (1988, cf. Solansky, 2011, p. 248) define team identification as an individual’s sense of belonging to a particular group, and argue that when an individual identifies with an organization, he or she becomes emotionally attached to the successes and failures of that organization. Ngan et al. (2011) argue that team identification refers to the fans’ level of identification or caring for a particular sports club. A spectator who strongly identifies with a team or sporting event
sees the team or sporting event as an extension of himself/herself. The research results on golf spectators have shown that more highly interested spectators are also more motivated to watch golf, and they go to golf courses, play golf, and watch golf significantly more often than the less interested spectators (Ko et al., 2010, p. 26-33). In line with the suggestions consistent with the identification literature (Bhattacharya et al., 1995; Fisher and Wakefield, 1998; Johan and Pham, 1999; Wann and Branscombe, 1993) three antecedents of identification are investigated (prestige, fan associations and domain involvement) for predicting fan identification among sports spectators (cf. Gwinner and Swanson, 2003, p. 276).

It is important to point out that, rather than being an emotional, behavioural or binding measure, identification is a cognitive state when an individual’s personality and the team overlap (Carlson et al., 2009, p. 370). Especially in the context of sports, consumers can become extremely loyal to their favourite teams and often become fanatics (Bristow and Sebastian, 2001; Hunter et al., 1999; Kelley and Tian, 2004; Thorne and Bruner, 2006, cf. Dalakas and Melancon, 2012, p. 51). Furthermore, team identification also affects how an individual's identity is defined since identifying with a sports team becomes an integral part of his/her identity (Belk, 1988; Kelley and Tian, 2004; Madrigal, 2000, cf. Dalakas and Melancon, 2012, p. 52). Team identification, just as brand loyalty, elicits a strong emotional connection with a sports team and has a strong positive impact on the purchasing behaviour of individuals. According to certain studies, team identification affects game attendances (Fisher and Wakefield, 1998), the amount of money spent on club souvenirs and jerseys (Fisher and Wakefield, 1998; Wann and Branscombe, 1993), and the amount of money spent on the products of club’s sponsors (Madrigal, 2000, cf. Ngan et al., 2011, p. 553). Therefore, it is not surprising that a research by Carlson et al. (2009) showed that companies often tie their brands to popular teams. By tying a brand to a successful and/or popular team, companies are hoping to transfer the team’s positive attributes onto the brand. Wheelan (1994, cf. Solansky, 2011, p. 248) claims that team identification develops when the club becomes closer to its local community. The consumers identify with teams that are very similar to them, whether this similarity is real or aspirational (cf. Carlson et al., 2009, p. 370). Because of the perceived identification with the team, spectators who identify themselves as fans are considered to be members of the group and show sympathy towards other group members (Lee and Ferreira, 2011) and, according to Roy (2005), feel greater intimacy towards other group members (Wang et al., 2012, p. 554).
A review of the team identification literature shows that there are two characteristics that affect the individual's identification: prestige and distinctiveness (Bhattacharya et al., 1995; Holt, 1995, taken by Carlson et al., 2009, p. 371). According to Davies (2004), prestige can be described as exclusivity, respect and status, and can have positive effects on consumers to spend more on purchasing retail goods from the club. Distinctiveness on the other hand refers to how the team differs from competitors. Users create a salient identity by belonging to a group that is unique as compared to other groups (Carlson et al., 2009, p. 371).

2.3. Repurchase intention

Given the growing competition in the global market as well as the pressures brought about by the process of internalization, it is becoming increasingly important for companies to retain their customers (Roos and Gustafsson, 2007, cf. Gounaris and Boukis, 2013, p. 322). The concept of repurchase intention primarily refers to the likelihood of using a service offered by a service company again in the future. Fornell (1992, cf. Boonlertvanich, 2009, p. 2) described this concept as one of the most important ones in the modern marketing.

Repurchase intention depends on how the consumers evaluate products / services as well as on their attitude towards a specific brand, combined with external stimulating factors (Lin and Lu, 2010, pp. 20-22). Repurchase intention is defined as an intention to repurchase products or services a consumer has previously bought. Some authors have defined repurchase intention as an intention to repeatedly use products in the future, based on previous experiences and expectations for the future (Kim et al., 2011, p. 37). Repurchase intention has also been defined as an individual’s personal judgment of consuming services again, as a decision on future cooperation with a particular supplier (Hume and Mort, 2010, p. 174). Consumers’ repurchase intention depends on the value they have received from previous transactions (Wathne et al., 2001; Kaymak, 2003; Bolton et al., 2000) out of which stand out: the appropriate criterion of performance, competition, and cost (Kumar, 2002, cf. Olaru et al., 2008, p. 556). In this paper, repurchase intention refers to repeat attendance.

In recent decades, great attention has been given to the development and implementation of the concept of repurchase intention into company's business. There are many reasons for this but the main reasons lie in the increased profitability and lower operating costs. Customers’ repurchase intention or customer retention is considered to be one of the key defensive marketing
strategies (Kitchathorn, 2009, p. 1). Hume and Mort (2010, p. 174) believe that taking into account the circumstances in which an individual finds himself/herself, repurchase intention is, the most appropriate dependent variable in every system where relationships play an important role, and provides management with an insight and tools in the design and implementation of strategic planning and delivery of services. In their studies Fornell (1992) and Reichheld (1996) found that repurchase intention is the key factor in the profitability of a company and should be considered its strategic objective (cf. Boonlertvanich, 2009, p. 1).

Customers who repurchase a company’s products or services significantly contribute to the company’s profit as they require less time and attention compared to the customers who use a product or service for the first time (Boonlertvanich, 2009, pp. 2-3). Encouraging repurchase has a positive effect on reducing costs and increasing market share. Skillful handling of customers’ complaints increases repurchase and reduces the negative word-of-mouth communication while simultaneously increasing positive word-of-mouth communication (Davidow, 2003, pp. 71-77). Greater customer satisfaction and consequently repurchase intention can be achieved by offering quality services and added value to customers (Ahmed et al., 2011, p. 765).

The importance of word-of-mouth communication for repurchase intention should also be pointed out. A research by Davidow (2003) showed that word-of-mouth communication has a positive effect on repurchase intention. Moreover, also it proved that it is the most influential variable of all variables whose influence on repurchase intention was researched. The word-of-mouth communication can be both positive and negative. Negative word-of-mouth communication refers to customers’ complaints, while positive word-of-mouth communication helps companies reduce marketing costs (Lin and Lu, 2010, p. 22).

The existing literature points out several important factors that encourage consumers to repurchase: 1) service quality, 2) previous experience, 3) brand loyalty, 4) consumer satisfaction. Keiningham et al. (2007, cf. Ahmed et al., 2011, p. 766) proved that loyal customers increase the volume of their repurchases, spend more money on company’s products or services and become company’s "preachers" encouraging others to start using its products or services.

Nadiri et al.’s (2008, p. 265) results revealed that service quality has a positive effect on customer satisfaction, it stimulates customers’ return and
encourages them to make recommendations. In order to measure customers’ behavioural intentions, many authors have used the word-of-mouth communication as a mediating variable in the relationship between service quality and repurchase intention with the final aim of understanding customers better.

3. RESEARCH METHODOLOGY

3.1. Hypotheses

The following hypotheses are tested:

H1. Higher quality service has a positive effect on repeat attendance.

H1.1. Tangibles have a positive effect on repeat attendance.

H1.2. Staff’s responsibility and willingness to help the consumers at and around the stadium has a positive effect on repeat attendance.

H1.3. Security has a positive effect on repeat attendance.

H1.4. Accessibility to the stadium has a positive effect on repeat attendance.

H1.5. The consumers’ perception of the reliability of staff has a positive effect on repeat attendance.

H2. Higher level of team identification has a positive effect on repeat attendance.

3.2. Collection of data and research instrument

In order to verify the theoretical model and test the set hypotheses, primary research was conducted. Since the research focused on assessing the effect of service quality and team identification on repurchase intention on the example of Croatian Football Club Hajduk Split (in further text CFC Hajduk Split), primary research was conducted by a testing method. Specifically, fieldwork was carried out immediately before and after the match between CFC Hajduk Split - Dila Gori, played on August 1st, 2013 as the third qualifying round of the Europa League.
Empirical research was carried out using the survey method. The questionnaire consisted of four measurement scales previously used and validated in the scientific literature:

- **SPORTSERV** scale for measuring service quality (Theodorakis and Alexandris, 2008);
- Scales for measuring word-of-mouth communication (Zeithalm et al., 1996);
- Scales for measuring repurchase intentions (Theodorakis et al., 2009);
- **Sport Spectator Identification Scale** for measuring team identification (Wann and Branscombe, 1993).

Measurement scales were slightly modified and adjusted to the requirements of our research.

For the purpose of this research, intentional convenience sample was used. The authors conducted the study around and at the stadium where only spectators with tickets to the football game CFC Hajduk Split and FC Dila Gori were allowed. The respondents wore the Hajduk Split merchandise (jersey, scarf, cap, flag). The questionnaire contained an elimination question whose purpose was to eliminate those respondents the authors estimated were not relevant for the research conducted. The authors personally distributed questionnaires to respondents and were present when they were filled out. On average, the respondents filled them out in 10-15 minutes. All the respondents who were part of the sample at the time of the survey were of legal age. The collected data was quantitative and was processed using AMOS version 21.0.

A total of 80 questionnaires were collected. The majority of the survey participants were male (91.2%). A total of 93.8% of the respondents (75 of them) were employed, while 6.2% (5 respondents) were students. Sample (i.e. spectator) structure by age groups is as follows: there were 23.8% respondents in the 18-25 age group, 33.8% in the 26-31 age group, 25% in the 32-37 age group, 8.7% in the 38-43 age group, and in the 44 and over there were 8.7% respondents.

The respondents were distributed according to their monthly income; 20% of the respondents had a monthly income of up to HRK 3,500.00, 53.8% of respondents had between HRK 3,500.00 and 5,000.00, 17.4% of respondents had between HRK 5,000.00 and 7,000.00 and 8.8% had more than HRK 7,000.00 of monthly income.
3.3. Empirical findings

Descriptive statistics of the indicators of latent variables used in the study for all the respondents in the sample are presented in Table 1. Mean values of the observed variables are relatively high, i.e. all are above 60% which corresponds to the positive response (4 and 5) on the Likert scale. Indicators of descriptive statistics show that the average level of value service quality (SQ) is 63.28%, the average level of word-of-mouth communication (WOM) is 67.81%, the average level of team identification (TI) is 66.25% and the average level of repurchase intention (RI) is 73.65%.

Table 1. Indicators of descriptive statistics for the entire sample (normalized values)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Mean</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service quality</td>
<td>63.28</td>
<td>20.00</td>
<td>100.00</td>
<td>18.76</td>
</tr>
<tr>
<td>Word-of-mouth communication (WOM)</td>
<td>67.81</td>
<td>16.67</td>
<td>100.00</td>
<td>22.45</td>
</tr>
<tr>
<td>Team identification</td>
<td>66.25</td>
<td>25.00</td>
<td>100.00</td>
<td>20.95</td>
</tr>
<tr>
<td>Repurchase intention</td>
<td>73.65</td>
<td>.00</td>
<td>100.00</td>
<td>24.07</td>
</tr>
</tbody>
</table>

Source: Empirical research.

According to Trail and Robinson (cf. Woo et al., 2009), we should distinguish between fans and spectators as different motives trigger their action. Therefore, we tried to categorize respondents into two groups according to the level of team identification in order to study the differences between them. Hierarchical cluster analysis was done using Ward's method in order to research the levels of team identification, so that the respondents could be grouped into an optimal number of clusters. It should be stressed that the respondents (80 of them) and not variables were clustered using the seven items of the questionnaire.

Therefore, Euclidean distance was selected as an appropriate similarity measure. Hierarchical clustering of respondents on the team identification variable classified respondents into two clusters, thus creating a new dichotomous variable with two modalities of a characteristic (spectators / fans). This means that the respondents can be categorized into two groups: "spectators" and "fans" with respect to the level of their team identification.

The dendrogram in Figure 1 clearly shows that the optimal number of clusters is two because the biggest difference in the distance is when two clusters become one.
Table 2 shows the characteristics of the first and second cluster of respondents, i.e. spectators and fans respectively. The average level of team identification is significantly higher (87.77%) for 33 fans in relation to 47 spectators (51.14%). The average level of service quality of respondents with greater team identification (64.62%) is not significantly higher as compared to those with lower levels of team identification (62.34%). It was found that the average levels of word-of-mouth communication and repurchase intention (81.57% and 91.41% respectively) in the cluster of fans are significantly higher than those in the cluster of spectators (58.16% and 61.17%, respectively).

Table 2. Indicators of descriptive statistics according to team identification (normalized values)

<table>
<thead>
<tr>
<th>Ward method</th>
<th>Team Identification</th>
<th>Service Quality</th>
<th>Word-of-mouth</th>
<th>Repurchase Intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spectators</td>
<td>47</td>
<td>51.14</td>
<td>62.34</td>
<td>58.16</td>
</tr>
<tr>
<td>Fans</td>
<td>33</td>
<td>87.77</td>
<td>64.42</td>
<td>81.57</td>
</tr>
</tbody>
</table>

Source: Empirical research.
The F-test is used to assess whether there is a statistically significant difference between the two groups (spectators and fans) clustered according to the level of their team identification in relation to each researched variable separately. On the basis of the sample and with the level of significance of 1%, it can be concluded that there is no statistically significant difference between the spectators’ and fans’ responses with regard to service quality, which is shown by the F-test (with a value of 0.284) at 59.6% significance level. Furthermore, on the basis of the sample and with the level of significance of 1%, it can be concluded that there is a statistically significant difference between the responses of the two clusters, i.e. spectators and fans, considering the other three variables of the research, which is shown by the value of the F-test: 28.378 for the word-of-mouth communication with the level of significance of almost zero, 234.515 for team identification with the level of significance of almost zero and 49.359 for the repurchase intention with the level of significance of almost zero.

Confirmatory factor analysis (CFA) is used to test the fit of the measurement model based on the theoretical concept with empirical data. One part of the confirmatory factor analysis is used to test the validity of the measurement model, i.e. test the validity of the used measurement indicators (apparent variables – statements in the questionnaire) for presumed latent (hidden) variables. Another part consists of a structural model that specifies the relationship among latent variables. The integrated approach of the two models is the SEM methodology.

The methodology will be described in detail in the following paragraphs. The overall analysis is based on the variance-covariance matrix of the apparent variables, whereby the variance of every apparent variable can be decomposed into a part of the variance that can be explained by the observed latent variable called error relations and into an unexplainable part of the variance called residual variance. Estimated structural equation model is shown in Figure 2.

Three structural equations between two endogenous and two exogenous latent variables are defined in the research model (see Table 3). Service quality and team identification are exogenous latent variables, while the repurchase intention (repeat attendance) and word-of-mouth communication are endogenous latent variables. Word-of-mouth communication is considered a mediating variable.
Source: Empirical research.

All other variables observed in the research model are apparent variables. The correlation between latent and apparent variables is estimated by the lambda parameter (\(\lambda\); factor loadings), while the relationship between exogenous and endogenous variables is estimated by the gamma parameter (\(\gamma\)). Finally, coefficient beta (\(\beta\)) refers to the relationship between the two endogenous variables. All the estimated parameters are statistically significant (see Table 3).

**Table 3. The results of the structural equation modelling (SEM)**

<table>
<thead>
<tr>
<th>Fundamental relationships within the model</th>
<th>Research hypothesis</th>
<th>Relationship direction</th>
<th>Parameter</th>
<th>Value</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service quality (\rightarrow) WOM</td>
<td>H1</td>
<td>Positive</td>
<td>(\gamma_1)</td>
<td>0.44</td>
<td>0.004</td>
</tr>
<tr>
<td>WOM (\rightarrow) Repurchase intentions</td>
<td>H1</td>
<td>Positive</td>
<td>(\beta)</td>
<td>0.69</td>
<td>0.008</td>
</tr>
<tr>
<td>Team identification (\rightarrow) Repurchase intentions</td>
<td>H2</td>
<td>Positive</td>
<td>(\gamma_2)</td>
<td>0.77</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Empirical research.
Service quality (SQ) is a latent variable that is measured by five dimensions (reliability, access, security, responsiveness, and tangibles). All values are obtained as the arithmetic means of a number of statements in the questionnaire, i.e. not all the questions from the questionnaire could be included individually because then the results would not be reliable.

In other words, for the model to be fit there must be a minimum of ten observations per apparent variable or at least five observations multiplied by the number of parameters that are being estimated. In addition, according to the principle of parsimony, the model with the lowest number of parameters is recommended because otherwise the SEM model would be over-identified, and thus seemingly good. The second latent variable, i.e. word-of-mouth communication (WOM), and the third latent variable, i.e. repurchase intention (RI), are measured using three questions from the questionnaire. Team identification is the fourth latent variable that is measured by seven questions from the questionnaire.

Figure 2 shows the parameters that connect the apparent and latent variables and are called factor loadings. The factor loadings are standardized and show the intensity and direction of the association of each apparent variable with the latent variable. In the model, it was not necessary to estimate the value of variances and constant members for each apparent variable because the data is complete. It is usually done only when data is missing.

All factor loadings, estimated by the maximum likelihood method, are between 0.65 and 0.89 (to two decimal places) and are in a positive direction. Squared value of multiple correlation coefficient, which is displayed with each apparent variable, shows the percentage of the explained variance. The percentage of variance explained by apparent variables varies from 42% to 79%. The remainder of the variance is unexplained and is attributed to the components of random errors and unknown factors, i.e. residuals. The significance of factor loadings can be tested individually based on their non-standardized values. The value of the estimated parameters (estimate), their standard error (SE), the test size or critical ratio (CR) and p-value (P) are presented in Table 4.

All the estimated parameters of the observed model are statistically significant at a significance level of 1%. The mark *** indicates that the empirical level of significance (p value) is approximately zero. The values of other structural coefficients are positive, but of different intensity.
Table 4. Non-standardized values of the estimated parameters in the model.

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>SE</th>
<th>CR</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>WOM ← SQ</td>
<td>.385</td>
<td>.134</td>
<td>2.873</td>
<td>.004</td>
</tr>
<tr>
<td>RI ← WOM</td>
<td>.427</td>
<td>.161</td>
<td>2.653</td>
<td>.008</td>
</tr>
<tr>
<td>RI ← TI</td>
<td>.591</td>
<td>.105</td>
<td>5.647</td>
<td>***</td>
</tr>
<tr>
<td>Tangibles ← SQ</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsiveness ← SQ</td>
<td>1.024</td>
<td>.105</td>
<td>9.724</td>
<td>***</td>
</tr>
<tr>
<td>Security ← SQ</td>
<td>.822</td>
<td>.096</td>
<td>8.590</td>
<td>***</td>
</tr>
<tr>
<td>Access ← SQ</td>
<td>.782</td>
<td>.115</td>
<td>6.817</td>
<td>***</td>
</tr>
<tr>
<td>Reliability ← SQ</td>
<td>.905</td>
<td>.118</td>
<td>7.658</td>
<td>***</td>
</tr>
<tr>
<td>WOM3 ← WOM</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WOM2 ← WOM</td>
<td>.914</td>
<td>.137</td>
<td>6.673</td>
<td>***</td>
</tr>
<tr>
<td>WOM1 ← WOM</td>
<td>1.101</td>
<td>.161</td>
<td>6.819</td>
<td>***</td>
</tr>
<tr>
<td>RI3 ← RI</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RI2 ← RI</td>
<td>1.313</td>
<td>.248</td>
<td>5.301</td>
<td>***</td>
</tr>
<tr>
<td>RI1 ← RI</td>
<td>1.262</td>
<td>.243</td>
<td>5.198</td>
<td>***</td>
</tr>
</tbody>
</table>

Note: The variables in the measurement model which are declared holders are: tangibles for measuring the service quality model, incentive for the word-of-mouth measuring model and attendance for measuring the repurchase intention model.

Source: Empirical research.

By comparing the standardized coefficients it can be concluded which of the variables has a bigger and which one has a smaller influence on the latent variables (see Figure 2).

In the model, a total of 26 parameters were estimated (see Table 7). To test hypothesis 1, the SEM model was used to research the impact of service quality on repurchase intention. When the direct impact of service quality on repurchase intention is included in the SEM model, the impact of the value of standardized regression coefficient is negative, although it is almost zero (-0.079), which is evident from Table 6.

Non-standardized coefficient of the direct impact is not statistically significant and is -0.065 (when it is divided by the standard error then the test size of -0.826 is obtained). The previously interpreted results show that there is no statistically significant (p-value = 0.409) direct link between service quality and repurchase intention, as demonstrated by Table 5.
Table 5. Forward value of the estimated parameters in the model

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>SE</th>
<th>CR</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurchase intention ← Service quality</td>
<td>-.065</td>
<td>.079</td>
<td>-.826</td>
<td>.409</td>
</tr>
</tbody>
</table>

Source: Empirical research.

The results obtained from the three basic structural equations, defined in the model and presented in Table 3 and Figure 2, are in accordance with the theoretical assumptions of the research model. The estimated parameter gamma ($\gamma_1 = 0.44$) is statistically significant and indicates the existence of a positive direct link between service quality and word-of-mouth communication.

Table 6. Standardized Regression Weights: (Default model)

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurchase intention ← Service quality</td>
<td>-.079</td>
</tr>
</tbody>
</table>

Source: Empirical research.

In addition, the estimated parameter beta ($\beta = 0.69$) confirms that there is a positive and statistically significant relationship between word-of-mouth communication and repurchase intention. This also proves that there is an indirect positive relationship between service quality and repurchase intention, while it is assumed that there is no direct influence as was previously explained. Indirect positive impact of service quality on repurchase intention through word-of-mouth communication can be obtained by multiplying $\gamma_1 * \beta$, where the standardized value of the coefficient is 0.358, which confirms the main hypothesis H1.

Auxiliary hypotheses have been confirmed based on the estimated value of factor loadings (see Table 4) and the estimated value of the structural parameter. All values of factor loadings of the observed model are statistically significant at a significance level of 1%.

Based on the estimated values of the factor loading ($\lambda_1 = 0.89$) and structural parameter ($\gamma_1 * \beta = 0.358$), a statistically significant relationship of a positive direction between tangible elements of service and repurchase intentions (repeat attendance) has been confirmed, thus confirming the auxiliary hypothesis H1.1. The estimated values of factor loadings ($\lambda_2 = 0.847$ and $\lambda_5 = 0.729$), and structural parameter ($\gamma_1 * \beta = 0.358$) show a statistically significant relationship of a positive direction between the responsibilities of employees...
inside and around the stadium, and their trustworthiness on the repurchase intention (repeat attendance). This confirms auxiliary hypotheses H 1.2 and H 1.5. Furthermore, based on the estimated values of factor loadings ($\lambda_3 = 0.784$ and $\lambda_4 = 0.673$), and structural parameter ($\gamma_1 \beta = 0.358$), there is a statistically significant connection of a positive direction between the positive relationship between security and access to the stadium on the repurchase intention (repeat attendance), which confirms auxiliary hypotheses H1.3 and H1.4. The estimated parameter gamma ($\gamma_2 = 0.77$) is statistically significant and indicates the existence of a positive and direct relationship between team identification and repurchase intention, which confirms the main hypothesis H2.

Table 7 clearly shows that different indicators have been used to assess the suitability of the research model. Basic verification of the consistency of the whole model is based on the application of the chi-square test used to test the statistical significance of the set hypotheses. The value of the chi-square is 103.823 with 52 degrees of freedom. The corresponding p-value is less than 5%, which confirms that $\chi^2$ is statistically significant and that the model is not appropriately specified. An insignificant $\chi^2$ is a proof that the theory is correct, and a significant $\chi^2$ is an indication that the model cannot include links explicated using empirical data. Also, in comparison to the exploratory techniques of multivariate analysis, which always calculate all the parameters and thus operate under zero degrees of freedom (df = 0), the SEM enables inferential testing of the model. However, chi-square value in itself cannot be used as the sole indicator of suitability, but it is common to divide it with degrees of freedom. In this case, it is considered that the model is suitable if the chi-square/df ratio values are between one and three. The value of 1.997 is satisfactory. This indicator of the suitability of the model is used more often because there is a risk that the model is over identified, i.e. that it is apparently good, but actually is not.

Table 7. Indicators of the suitability of the research model.

<table>
<thead>
<tr>
<th>Model</th>
<th>n</th>
<th>$\chi^2$</th>
<th>df</th>
<th>p-value</th>
<th>$\chi^2$/df</th>
<th>RMSR</th>
<th>GFI</th>
<th>IFI</th>
<th>CFI</th>
<th>NFI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>26</td>
<td>103.823</td>
<td>52</td>
<td>.000</td>
<td>1.997</td>
<td>.013</td>
<td>.896</td>
<td>.913</td>
<td>.924</td>
<td>.887</td>
</tr>
</tbody>
</table>

Source: Empirical research.

Table 7 shows that the results of the observed four indices (GFI, IFI, CFI, and NFI) are within the acceptable values (approximately or greater than 0.9) and confirm the suitability of the research model. The value of RMSR (near the limit value of 0.01) also shows that the model is appropriate. Apart from its confirmatory function, confirmatory factor analysis (CFA) also proved that all
measurement models are suitable and the validity of measuring instruments was further tested using the Cronbach’s alpha indicator. The results of the reliability of measurement scales can be seen in Table 8.

Table 8. The reliability of measurement scales used in research on the normalized data.

<table>
<thead>
<tr>
<th>Scale for measuring</th>
<th>n</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service quality</td>
<td>22</td>
<td>0.889</td>
</tr>
<tr>
<td>Word-of-mouth</td>
<td>3</td>
<td>0.843</td>
</tr>
<tr>
<td>Repurchase intention</td>
<td>3</td>
<td>0.796</td>
</tr>
<tr>
<td>Team identification</td>
<td>7</td>
<td>0.875</td>
</tr>
</tbody>
</table>

Source: Empirical research.

The total values of the coefficient of reliability (Cronbach's alpha) of the service quality and word-of-mouth communication are 0.889 and 0.843 respectively, which is an indicator of a very good reliability of measurement scales. The value of the coefficient of reliability of the scale for measuring repurchase intention is 0.796, indicating the acceptable reliability of the scale. The value of the coefficient of reliability of the scale for measuring team identification is 0.875, which indicates a very good reliability.

3.4. Limitations of the research

Although the research results clearly indicate the nature of the relationship of the researched concepts, they should however, be considered in the context of the constraints that this research faced. Therefore, the research results cannot be generalized, although they are definitely indicative. Considering the scope and size of the fan base in Croatia, the sample size used in this study is not large enough and it would be good to conduct a study on a more representative sample.

Although the club whose fans were surveyed has one of the largest fan bases in Croatia, the sample size of this survey is relatively small to draw definite conclusions. Likewise, given that the research focused on the fans of only one football club, a general conclusion which could be applied to football as a whole cannot be provided.

Individual parts of the measurement instrument can be considered as limitations of the research. First of all, when repurchase intentions were surveyed, the measuring instrument focused only on the repeat attendance and
neglected other elements that conceptually may be included in the repurchase intention in the context of football clubs, such as purchasing team kits, souvenirs and sponsors’ products.

Furthermore, the cultural diversity between the Republic of Croatia and other countries, where researches using this measuring instrument have been conducted, should be taken into consideration. The difference is most noticeable with regard to attending the match on stadiums, so maybe these cultural differences should have been observed before the research in order to maybe adapt the measurement instrument to obtain more reliable data, and ultimately draw better conclusions.

4. CONCLUSION

In recent decades, service companies have been playing a more important role in the economies of many developed countries. The focus of this paper is a sport’s service, or more precisely football whose commercialization has become more pronounced in the last decade. It is therefore understandable there is an increasing desire, but also a need to better understand the fans, because fans are very important stakeholders of the clubs’ (financial) success. According to Theodorakis et al. (2009), the main source of income for football clubs are funds received from ticket sales. In the service industry in general, it is necessary that the service offered is a quality one and that the consumer is satisfied for the sales to occur. The situation is similar in the context of football where the actual sale is significantly affected by some other specific variables. Numerous studies in this area have emphasized team identification as one of the most influential variables in the context of the sale of tickets for football matches. The subject of this paper is the impact of team identification and the service quality on the repurchase intention, i.e. repeat attendance, and the role of word-of-mouth communication in the relationship between the three researched concepts.

Data collected by primary research was analysed using AMOS version 21.0 so as to accept or reject the two main hypotheses (H1 and H2) and their respective auxiliary hypotheses. The analysis showed that there is not a direct impact of service quality on repurchase intention as non-standardized value of the coefficient was -0.065 (p = 0.409), i.e. it was not statistically significant. Further analysis using the estimated parameter gamma (γ1 = 0.44) showed that there is a positive direct link between service quality and word-of-mouth communication. The estimated parameter beta (β = 0.59) confirmed that there is a positive and statistically significant relationship between word-of-mouth
communication and repurchase intention. It was thus proved that there is a statistically significant indirect link ($\gamma_1 \beta = 0.358$) between service quality and repeat attendance through word-of-mouth communication which confirmed the main hypothesis H1. When testing the first auxiliary hypothesis (H1.1.), it was found, based on the estimated value of factor loadings ($\lambda_1 = 0.89$) and structural parameter ($\gamma_1 \beta = 0.358$), that there is a statistically significant relationship of a positive direction between the tangible elements of services and repeat attendance which confirmed the auxiliary hypothesis (H1.1.). The estimated values of factor loadings ($\lambda_2 = 0.847$ and $\lambda_5 = 0.729$) and structural parameter ($\gamma_1 \beta = 0.358$) revealed a statistically significant relationship of a positive direction between the responsibilities of employees at and around the stadium, and their reliability on repeat attendance which confirmed hypotheses H1.2. and H1.5. There is a statistically significant relationship of a positive direction between security and access to the stadium and repeat attendance as the estimated values of factor loadings are $\lambda_3 = 0.784$ and $\lambda_4 = 0.673$, and structural parameter is $\gamma_1 \beta = 0.358$. This confirms the auxiliary hypotheses H1.3. and H1.4. Considering that the estimated parameter gamma ($\gamma_2 = 0.77$) is statistically significant, the main hypothesis (H2) is accepted and confirmed and it can be stated that there is a direct positive correlation between team identification and repeat attendance.

The results of descriptive statistics showed what should be done to improve the service quality by improving all the elements that make up the service quality. In the tangibles dimension, the club would first have to replace the damaged and worn out seats. The existing seats should be replaced with multifunctional seats with connectors for charging mobile devices, tablets and/or digital cameras, and with headphone jacks. A major problem are large quantities of litter left everywhere during the match; more bins should be put at several places at the stadium stands. Furthermore, the club should make sure that the seats are cleaned before every game as it has not been the case for quite some time. The problem of toilets that are dirty and often do not work has been the ills of the club for years. It is therefore recommended to remodel them. The range of products offered at the stadium should be extended by introducing quick service restaurants and drink stands at the stadium. Although there are membership cards of the association "Our Hajduk" and of the fan club "Torcida", the authors believe that it would be very useful to introduce loyalty cards. These cards would greatly help in analysing cardholders’ consumer habits, and this information would be of use to the club management when creating club’s marketing strategies. The fans would benefit by getting certain discounts on the club’s or sponsors’ products and services, which would depend on their spending with regard to the club. The club should certainly increase the
number of staff especially at the entrances for speeding up the process of entry and exit from the stadium, especially for high attendance matches. It also often happens that a spectator sits on a seat he does not have a ticket for which can often lead to inconveniences. The club should therefore educate spectators by warning them every time before the game through the official PA system and on the scoreboard that such a behaviour is not acceptable. In order to prevent unpleasant scenes, stewarding and security services should be better positioned and more staff should be hired when there are more spectators at a match. Their task would be to make sure the spectator’s seat matches the seat number on his/her regular or season ticket. They should also prevent sitting in the aisles as these must be kept clear at all times. The problem of security at and around the stadium is a burning issue of football around the world including Croatia. Installing cameras at and around the stadium as well as installing turnstiles would considerably help in preventing threats to visitors’ safety, as well as help in removing disruptive people from the stadium. Consummation of alcohol by some spectators affects security, so it is recommended to ban alcoholic beverages at and around the stadium. In the heat of the global campaign to reduce the number of smokers, it would be very desirable for the club to ban smoking at the stadium or limit the consumption of tobacco products by providing special rooms where smokers could consume tobacco before and after the match and during half time. All this should have a positive impact on customer perception of the quality of the service provided.

In the previous sections of this paper, it has been emphasized that fans should be distinguished from spectators. Therefore, the respondents were divided into two categories (spectators and fans) depending on the level of their team identification. Bearing in mind the previously stated, the authors think that the club management should try to strengthen spectators’ team identification as, according to research results, their level of team identification is very low as compared to the fans’ one. One of the possible suggestions is to organize events with the purpose to help the wider community as research (Wheelan, 1994) indicated that the identification takes place when the club becomes closer to the local community (cf. Solansky, 2011, p. 248). Many clubs around the world, especially in Europe put great emphasis on their local community. In this regard, CFC Hajduk Split should do much more to increase team identification and expand the fan base. It is recommended to organize camps for children in bases where there are a lot of supporters of Hajduk (e.g. Bosnia and Herzegovina, Slavonia). The following suggestions would be to create a foundation that would help the local community under the auspices of the club and to enable fans to donate money to help low-income families or to build kindergartens and / or playgrounds through the club’s official website. Using
this approach the club would gain in popularity and the fans would identify even more as they would be able to help the local community through the club. In order to strengthen team identification in younger people, it is recommended that they actively participate in youth sports games and competitions for school-age children. The club would award the best teams with the participation in a youth training program for a certain period of time. It would also be very useful to organize a little football school where the club’s best players would share their knowledge and skills with children. Furthermore, it would be helpful to organize informal gatherings of citizens with the players and to have players attend charity events. It would be also be useful to make the players aware of the damaging effect of negative publicity received when they behave unprofessionally on the turf and outside it, be it a lack of commitment in matches or excessively enjoying the nightlife.

Future research of this field should include a larger number of clubs, i.e. their fans in order to get better and more quality data. Since sport, and therefore football as well, is of the competitive spirit, a club’s scores should be included in future research as the measuring instrument since the score may affect repurchase intention and, in some cases, word-of-mouth communication and service quality. Special attention should be paid to word-of-mouth communication and its role in the overall process because in the world of fans, word-of-mouth communication plays a very important role, as was shown by this research, since the average level of word-of-mouth communication for the entire sample was 67.81%. Taking into account that this research found that word-of-mouth communication has a mediating role in the relationship between service quality and repurchase intention, it is clear that the club management should make every effort to make the word-of-mouth communication as positive as possible, as the club would ultimately benefit from it the most. Finally, one of the possible directions for future research would be to include several sport events and research how the results would differentiate across different sport and leisure activities.

REFERENCES


Unsrednji poslovni primjeri

Unsrednji poslovni primjeri

Uslužna djelatnost te uslužna poduzeća zadnjih desetljeća postaju sve bitnija u ukupnoj gospodarskoj aktivnosti velikog broja zemalja, posebice onih najrazvijenijih. Brojna uslužna tržišta, uključujući i tržište nogometa, postala su predmetom istraživanja. Razloge treba tražiti u većoj konkurenciji, razvoju novih tehnologija kao i promjenama navika korisnika. Sve spomenuto je zahtijevalo od predstavnika...
B. Oman, M. Pepur, J. Arnerić: The impact of service quality and sport-team identification

nogometnih klubova da se fokusiraju na pružanje kvalitetnije usluge te na jačanje identifikacije sa sportskim timom. Ovo istraživanje je analiziralo vezu između kvalitete usluge i identifikacije sa sportskim timom i namjere ponovne kupnje (ponovnog dolaska na utakmicu), kao i posredničku ulogu komunikacije „od usta do usta“ u odnosu između kvalitete usluge i namjere ponovne kupnje. Istraživanje je provedeno na navijačima HNK Hajduk Split š.d.d., neposredno prije i nakon službene nogometne utakmice HNK Hajduk Split š.d.d. i FC Dila Gori. Rezultati dobiveni istraživanjem su ukazali na postojanje neizravnog pozitivnog utjecaja kvalitete usluge na namjeru ponovne kupnje preko komunikacije „od usta do usta“ te pozitivna izravna veza između identifikacije sa sportskim timom i namjere ponovne kupnje.