

# Examining the relationship among market demand, event identification, and behavioral intentions at the Shanghai Masters

## Introduction

In recent years, hallmark sporting events have garnered considerable popularity among researchers and professionals around the world as they generate substantial social and economic benefits for the host community if managed properly (Getz et al., 2012; Watanabe et al., 2020). However, hallmark events must operate in an environment where there are a growing number of entertainment options for consumers to spend their discretionary income and time. To better respond to the growing competition, it is important for hallmark event managers to possess a deep understanding of market demand, allowing them to improve event experience according to key elements of their attendees' decision-making processes (Braunstein et al., 2005; Byon et al., 2013; Watanabe et al., 2020; Zhang et al., 2003). While many market demand studies exist, few of these studies have endeavored to examine the role of market demand from an integrated perspective, often identifying a few context-specific market demand elements related to North American collegiate or professional sport (Braunstein et al., 2005; Cianfrone et al., 2015; Zapalac et al., 2010). To acknowledge and account for the likelihood that consumers form perceptions of market demand at various levels of abstraction, this study adopts an approach from Byon et al. (2013) that categorizes market demand into core and peripheral dimensions. Additionally, as hallmark events are recurrent in nature and it is plausible that unique market demand preferences for first-time and repeat attendees exist, we segment attendees accordingly.

Through an empirical analysis of data collected at the 2019 Shanghai Masters, this study endeavors to examine how market demand for a recurring hallmark sporting event would impact spectators' behaviors. More specifically, a formative-formative hierarchical component model (HCM) was employed to measure core and peripheral market demand for first-time and repeat attendees to investigate how each relates to event identification, future attendance intentions, and WOM intentions.

## Methods and Sample

A survey was administered at the Shanghai Masters by trained staff over a seven-day period. The final dataset consisted of 540 usable responses, with 35.5% of respondents being first-time attendees. The overall sample demographics were representative of attendees, corresponding with reports published by the event organizing committee (Organizing Committee of Shanghai Masters, 2018).

Core and peripheral market demand were measured using a formative-formative HCM that contained 23 items organized into seven factors (Byon et al., 2013; Wang et al., 2020; Zhang & Byon, 2017). Core market demand was formed by five first-order factors (i.e., event activity, player quality, game schedule, game promotions, and economic considerations), while peripheral market demand was formed by two first-order factors (i.e., peripheral services and venue characteristics). Items for these factors were measured formatively using a 5-point Likert scale (1 = *very poorly operated*, 5 = *very well operated*). Outcome variables (i.e., future attendance intentions, WOM intentions) were measured reflectively on a 5-point scale (1 = *strongly disagree*, 5 = *strongly agree*).

Partial least squares structural equation modeling (PLS-SEM) and partial least squares multigroup analysis (PLS-MGA) were employed to analyze the data. For PLS-SEM, data analyses underwent two steps. First, the measurement model was evaluated to confirm that both formative and reflective constructs were reliable and valid. Then, structural model paths were tested through a 5,000-iteration bootstrapping procedure (Hair et al., 2016). PLS-MGA was executed by following the three-step procedure for testing measurement invariance of composite models (MICOM; Henseler et al., 2016). Results were derived from the nonparametric permutation test (Hair et al, 2016; Henseler et al., 2016).

## Results, Discussion, Limitations, and Future Research

Significant, positive relationships were found between core market demand and event identification ( $\beta = .264, p < .01$ ), and between core market demand and behavioral intentions (attendance:  $\beta = .185, p < .01$ ; WOM:  $\beta = .153, p < .05$ ). In contrast, peripheral market demand only had significant, positive effect on event identification ( $\beta = .112, p < .05$ ). Findings revealed, however, that event identification fully mediated the relationships between peripheral market demand and behavioral intentions as event identification had a significant, positive impact on future attendance intentions ( $\beta = .440, p < .01$ ) and WOM intentions ( $\beta = .393, p < .01$ ). Moreover, the effect of peripheral market demand on event identification was stronger among first-time attendees than repeat attendees ( $\Delta\beta = .225, p < .05$ ).

Results supported the idea that both core and peripheral market demand were capable of influencing event identification, which in turn, positively affected future attendance intentions and WOM intentions. This study contributed to the literature by highlighting the necessity and merits of understanding market demand within both dimensions, enhancing event identification through differential market penetration schemes across different spectator groups. This may entail long-term planning and/or capital budgeting to improve food and beverage service capabilities when renovating or changing the event venue. Moreover, first-timers who thought highly of peripheral market demand factors would be more likely to identify with the Shanghai Masters than the repeaters. In this sense, focusing on the planning and management of peripheral service aspects of a recurring hallmark sporting event might be more important in establishing first-time attendees' initial event perceptions than its uncontrollable elements, such as player performances.

A few limitations should be acknowledged. First, data was collected using self-reported measures. Therefore, some responses may not reflect upon actual behavior. Second, we did not identify between local residents and non-local visitors to determine if their perceptions of market demand differed. Local attractions may be an important pull factor for influencing attendance (Cianfrone et al., 2015). Therefore, future research is encouraged to distinguish between local and non-local spectators.

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