Don't Tell Me What To Do! An Examination of Consumer Reactance to Daily Fantasy Sport Regulatory Restrictions

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Marketing - Consumer Behavior (Professional Sport)  
20-minute oral presentation (including questions)  
Abstract 2017-427

Saturday, June 3, 2017  
4:00 PM  
Room: Yale

The fantasy sport industry has received a considerable amount of negative attention due to the proliferation of daily fantasy sports (DFS). DFS providers extended traditional fantasy sport consumption through the development of a user-friendly game where participants can wager money daily or weekly on a multitude of sporting events. This interface is very similar to that of Internet gambling, which has created a debate regarding the legality of the activity (Legal Sports Report, 2016). Currently, the legal status of DFS varies by state, with 12 states allowing participation with some form of regulation, five states banning participation, and 23 states either contesting or proposing legislation (Rodenberg, 2016).

Although limiting access to DFS through legislation will almost certainly impact participation numbers and revenue generation in the short-term, consumer response to DFS restrictions is unknown. Ongoing legislation could result in consumer reactance towards the activity leading to favorable attitudes and increased consumption behavior. According to psychological reactance theory (PRT) placing restrictions (or threatening restrictions) on individual freedoms can enhance interest in the restricted activities (Brehm, 1966). Consumers are used to having the freedom of choice and a threat to that freedom through government restrictions could make a product more attractive (Clee & Wicklund, 1980). Yet, little is known due to limited research on DFS consumers and the constantly changing landscape of fantasy sport (Drayer, Dwyer, & Shapiro, 2016). Therefore, the purpose of the current study was to examine the impact of potential government restrictions on consumer attitudes and intentions related to DFS, and to assess the influence of consumer reactance on these relationships. The current investigation provides a unique opportunity to examine sport consumer behavior under the framework of PRT in an environment that is currently in flux. Sport consumer response to DFS legislation can enhance our theoretical knowledge of consumer reactance while informing both sport marketers and legislators who are navigating this dynamic industry.

According to PRT, when an individual's freedom is eliminated or if there is a threat to that freedom, a state of reactance will be triggered (Brehm, 1966). This state of reactance will motivate individuals to have their freedom restored. This reaction includes more favorable attitudes towards and attempts to engage in the threatened activity (Miron & Brehm, 2006). PRT has been supported within the context of consumer behavior (Clee & Wicklund, 1980; Fitzsimons, 2000; Jones, Taylor, & Reynolds, 2014) and government regulations (Attari et al., 2009; Mazis, Settle, & Leslie, 1973). Research on sport consumer reactance and online gaming has yet to be explored. This is a unique environment due to the strong emotional attachment associated with sport (Trail, Fink, & Anderson, 2003) and the ability for consumers to circumvent legal restrictions online. Based on previous literature in fantasy sport and consumer reactance to government restrictions, six hypotheses were developed to increase our understanding of consumer response to DFS regulations:

H1: Participants will have more favorable attitudes towards DFS when future government actions threaten to eliminate the activity compared to discouraging or legalizing the activity.
H2: Participants will have stronger intentions to play DFS when future government actions threaten to eliminate the activity compared to discouraging or legalizing the activity.
H3: Participants with high reactance tendencies will have more favorable attitudes towards DFS compared to participants with low reactance tendencies.
H4: Participants with high reactance tendencies will have stronger intentions to play DFS compared to fantasy consumers with low reactance tendencies.
H5: The relationship between DFS attitudes and government actions will be stronger for participants with high
reactance tendencies compared to participants with low reactance tendencies.

H6: The relationship between DFS intentions and government actions will be stronger for participants with high reactance tendencies compared to participants with low reactance tendencies.

To test the six hypotheses, an experimental design was incorporated using a survey methodology. The experiment was designed to accomplish three goals: (1) to establish the existence of reactance-style attitudes and behaviors based on government restrictions (H1 and H2), (2) to examine the influence of individual reactance tendencies on DFS attitudes and behaviors (H3 and H4), and (3) to examine the interaction between government restrictions and individual reactance tendencies (H5 and H6). Participants were secured through a Qualtrics survey panel. A total of (N = 747) usable surveys were collected for this analysis. Three factors were examined in this study. The first factor manipulated government restrictions by randomly placing participants into scenarios where DFS was illegal, highly discouraged, or legalized. After each scenario, participants were asked to rate their attitude towards DFS and their desire to play DFS in the future. The second factor was an assessment of psychological reactance tendencies using Hong and Faedda’s (1996) 11 item scale. The third factor controlled for playing experience by identifying whether participants have played DFS previously. Therefore, a 3 (government restriction: illegal/discouraged/legal) x 2 (psychological reactance: high tendency/low tendency) x 2 (experience: played DFS/have not played DFS) full-factorial between-subjects design was employed.

Results showed significant main effects for the government restriction groups in both the DFS attitudes (F(2, 735) = 30.18, p = <.001, η² = .076) and DFS intentions (F(2, 735) = 28.23, p = <.001, η² = .071) models, respectively. However, an examination of mean differences are contradictory to anticipated results. Mean scores for attitudes toward DFS were highest for the legal group (M = 4.96), followed by the illegal group (M = 3.97), and the discouraged group (M = 3.94). A similar result was found for DFS intentions (legal: M = 5.34, discouraged: M = 4.19, illegal: M = 4.13). Therefore, H1 and H2 were not supported.

Main effects for reactance tendencies were also significant for the attitudes (F(1, 735) = 21.03, p = <.001, η² = .028) and intentions (F(1, 735) = 30.72, p = <.001, η² = .040) models, respectively. Respondents with high reactance tendencies had more favorable attitudes towards DFS (high: M = 4.47, low: M = 2.97) and DFS intentions (high: M = 5.00, low: M = 4.10). Therefore, H3 and H4 were supported.

The most important findings were related to H5 and H6, which focus on the interaction between the government restriction groups and psychological reactance tendencies. Both the attitude (F(2, 735) = 3.27, p = .039, η² = .009) and intentions (F(2, 735) = 6.18, p = .002, η² = .017) models showed significant interactions, respectively. H5 and H6 were supported. Further univariate analysis indicated that for the legal group there was no significant difference between respondents based on reactance tendencies. However, the findings showed significant differences between reactance groups for the discouraged group attitudes and intentions. A more pronounced difference was found for the illegal group attitudes and intentions.

The findings demonstrate the impact of consumer reactance within the context of DFS. The significant interaction effects between reactance tendencies and government restrictions is consistent with previous consumer reactance literature (Fitzsimons & Lehmann, 2004; Kivetz, 2005). Government restrictions trigger consumer reactance particularly in individuals with high tendencies to respond negatively to threats or elimination of freedom. These findings extend the literature on psychological reactance by providing evidence of this phenomenon within the context of sport and online gaming. These are two areas where consumers have high emotional attachment and where regulation is constantly changing. Fantasy sport organizations and legislators need to understand consumer response to regulation as DFS continues to evolve and change the nature of the industry.