Social Responsibility Activities and Financial Performance: An Empirical Analysis of Bowl Games

Dylan Williams, The University of Alabama
Yoseph Mamo, Tennessee State University

Management - Corporate Social Responsibility (College Sport)
20-minute oral presentation (including questions)
Session: Live Q&A for Management 1 (Asynchronous)

Abstract 2021-234
Mode: Asynchronous
Saturday June 5, 2021, 1:40 PM - 2:40 PM

Much research has examined corporate social responsibility (CSR) and its consequent outcomes for sport organizations. Aguinis (2011) defined CSR as “context-specific organizational actions and policies that take into account stakeholders’ expectations and the triple bottom line of economic, social, and environmental performance” (p. 855). Stated differently, CSR is highly dependent on its corporate benefactor’s mission and often associated with the impact it has on community relations, environment issues, and diversity initiatives (Babiak & Wolfe, 2013; Frederick, 2016). Notably, American college football bowl games exist as one industry engaging in CSR behaviors. Established through local community businesses, chambers of commerce, and convention/tourist bureaus, bowl games help generate tourism by drawing out-of-town individuals to the area and contributing to the local economy through their expenditures (Griffith, 2010; Seifried & King, 2012). Operating as a nonprofit entity, these contests also foster activities that serve the greater good through economic advancement, community development, higher education support, and youth program or charity development (Williams & Seifried, 2013).

Bowl games have become very popular over the past few decades and are regularly associated with numerous ancillary CSR-connected events (Popp et al., 2017; Zimbalist, 2009). As a result, these organizing entities have grown from a traditional tourist event into a multi-million dollar industry that frequently works with corporate sponsors, television networks, and eligible universities and athletic conferences (Otto, 2020; Seifried et al., 2018, 2019). Given the trend occurring in bowl games with respect to CSR, a critical research question is whether postseason bowl games involvement in CSR activities play a significant role in their financial performance. The purpose of this project is to explore the association between bowl games’ engagement in CSR and their financial performance across CSR dimensions.

The sample frame for this study involves the six most prestigious bowl games (e.g., Cotton, Fiesta, Orange, Peach, Rose, and Sugar) from 2008 thru 2018. Items were adapted from previous CSR and sport management literature. Financial performance is measured through operating margin and attendance (Inoue et al., 2011). Operating margin is calculated as operating income (e.g., cost) divided by total revenue. This financial information is obtained directly from the bowl games' annual tax returns. Game attendance is also commonly used to measure team financial performance. Control variables include MSA population, stadium age, stadium capacity, 12-month enrollment for competing schools, conference affiliation, wins before bowl, AP before bowl, win % before bowl, prior year wins, prior win %, FCI/Cost of Attendance (based on nearest NFL team), and number of employees. This study performs aggregate regression analysis with CSR dimensions as independent variables, and operating margin and attendance as dependent variables.

Preliminary findings signal a mixed relationship between CSR dimensions and the financial performance of bowl games. Speculating on possible explanations why some CSR activities such as community relations contribute to financial performance might be its relatedness to the bowl game’s core business. Alternatively, these findings partially indicate the argument nonprofit organizations enhance their financial performance by fulfilling their organizational goals. Implications for managers will be highlighted during this presentation.