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## Measuring sport sponsorship effectiveness: links to existing behavior

### Abstract

The expanding role of sponsorship in the communications mix has generated increased attention to, debate about, and demand for effective measures. Yet there is no universally accepted approach to measuring sponsorship effectiveness. At the core of the sponsorship effectiveness debate is the role information processing plays in influencing consumers. Some commentators emphasize cognitive/emotional responses as fostering behavior while others view sponsorship as primarily serving to reinforce existing brand-related behaviors. As such, evaluation of sponsorship effectiveness, whether in sport or general sponsorship remains a vexing issue for marketers, sponsors and academics alike.

Using New Zealand rugby fan reactions to sponsorship, this research contrasts two cognitive measures (free and prompted sponsor awareness) with two behavioral measures (past and future intended sponsor brand purchase). Future purchase intentions had the highest correlations with recent past purchase. In response to a single-item, direct question on the probability of sponsor purchase because of their home team sponsorship, the correlations remained high. This suggests that sponsorship reinforces existing purchase behavior, making, by inference, sponsorship more suitable for larger, well-known brands. Claiming that sponsorship can affect consumers in ways beyond reinforcement of existing behavior remains unproven.

**Keywords:** sport sponsorship, effectiveness measurement, cognitive and behavioral measurement.

### Introduction

The importance of sponsorship within the marketing mix is well established, accounting for expenditures in excess of \$US26 billion worldwide (Researchandmarkets.com, 2005). Sponsorship is used extensively for building brands, making it as accountable for effectiveness as any other element of the communications mix. Commercial sponsorship is based on mutuality and a 'quid pro quo' philosophy – a business transaction with measurable returns for the sponsor. Sponsorship can provide a key point of difference in a cluttered marketplace for the sponsor, and a source of revenue, commercial expertise and credibility for the sponsored. More specifically, sport sponsorship can offer marketers the opportunities for addressing new target audiences, for building their brands, and for enhancing their corporate images (Ferkins and Garland, 2006). The growth of ambush marketing activities is testament to the importance of sport sponsorship in the marketing mix as sponsors seek the competitive advantage over their competitors (Garland and Trenberth, 2006). Among others, Thwaites (1995) and Meenaghan (1999, 2005) have commented on the lack of universally accepted tools for evaluating sponsorship. While post-campaign awareness and brand image perceptions are often measured, increasingly the major challenge with sponsorship research is to separate out and measure any change or increase attributable specifically to the sponsorship, distinct from other elements in the marketing mix.

### 1. Demand for measuring sponsorship effectiveness

Research imprecision in measuring the benefits of sponsorship, especially the return on investment of

sponsorship initiatives, led many companies to regard sponsorship as 'soft spending', allocating funds from limited corporate community or philanthropic budgets. However, as sponsorship opportunities, especially sport sponsorship opportunities increased, and companies realized its potential, funding started being allocated from marketing and public relations budgets, fuelling demand for accountability from management and stakeholders. Sponsorship returns are now compared against competitive advertising costs and value, where the amount of 'free' publicity received is measured and then ascribed a dollar value equivalent to paid advertising exposure – usually adjusted to 25-30 per cent of the full advertising rate card value (Ferkins and Garland, 2006).

Academics have suggested that sponsorship has moved out of its early growth phase into a more mature stage in which sponsors are questioning its effectiveness. Sponsorship evaluation research however has seen a "relentless reiteration of recognition and recall studies... [which]...are merely first-line measures of sponsorship impact and of themselves do not promote a real understanding of the nature of the consumer engagement with sponsorship" (Meenaghan and O'Sullivan, 2001, p. 88).

Qualitative research findings (Meenaghan, 1999) clearly substantiate the proposition that sponsorship's ability to generate positive consumer brand attitudes can be powerful and lasting. Pitts and Stotlar (1996) and Stotlar (2005) suggest that consumers are likely to be far more receptive to commercial messages accessed through integrated sponsorship campaigns (in terms of familiarity, favorability and propensity to purchase). Irrespective of the type of research undertaken, sponsors seek more

precise measurement of the 'real' value of their sponsorship expenditure (Ferkins and Garland, 2006).

## 2. Differing views on how sponsorship works

Difficulties in evaluating sponsorship's effectiveness as a communications tool may be a consequence of its imprecisely understood theoretical framework. If we are unsure as to how sponsorship really works then its evaluation will be subject to equal uncertainty (Thwaites, 1995; Farrelly, Quester and Burton, 1997; Meenaghan, 2001; Madrigal, 2001; Walliser, 2003). These authors' inventories of published work on sponsorship evaluation suggest that recall and recognition studies abound.

Hoek (1998) and Meenaghan (2005) conveyed a similar message and suggested that since sponsorship is analogous to, or even dependent upon, advertising, examining the theories of advertising might prove fruitful in understanding consumer engagement with sponsorship. Cognitive information processing models with their hierarchy of effects have spawned models like the AIDA model (attention-interest-desire-action) which, when applied to sponsorship, ascribe a major role to awareness of, and attitude to, an event. Despite the popularity of these cognitive models, Hoek (1998) demonstrates that Ehrenberg's (1974) ATR (awareness-trial-reinforcement) model, with its behaviorist psychology principles, provides a more useful framework. In the AIDA model, advertising (and sponsorship) is crucial to raising the awareness which leads to positive dispositions and desired behavior. By contrast, the ATR model suggests advertising (and sponsorship) is rather less important at the initial stages. Instead, advertising's role is to reinforce behavior that consumers have already performed in order to maximize probability of repeat purchase. If one is to transfer these notions to sponsorship, then sponsorship consolidates existing behavior patterns, reminding consumers of something they already approve of by bringing thoughts about the sponsor to "front-of-mind", but in no way does the sponsorship itself change consumers' minds.

Little wonder then that sponsorship evaluation has proved so difficult. Everyone would agree that awareness has some influence on the communication process – a sponsorship has to be noticed to have any impact at all. As enunciated by Meenaghan (2001, 2005), sponsorship awareness is easy to measure either as awareness of the event itself or of event sponsors or of the sub-brands associated with the event. However, there is less agreement as to the level of importance played by awareness. Hoek (1998) argues that with the lack of real evidence that

positive attitudes result in desired behavior, 'it would seem prudent to avoid relying on attitudinal measures to predict sales behavior' (pp. 8). This then leaves only behavioral measures such as sales leads or sales or trials arising out of the sponsorship. 'Yet such measures are complicated by both theoretical and practical considerations...sales are a function of many variables' (Hoek, 1998, pp. 9).

Nevertheless, there is scope to link sponsorships directly to some form of sales activity, such as a sales promotion (often with product trial, just as occurs at trade shows) or with gathering leads for future sales. For sporting events, sponsors often receive exclusive rights as suppliers at the venue. Monitoring sales in tandem with monitoring users/buyers of the sponsors' products/services at the venue offers some form of direct link between buyer and sponsor; at the very least in any research, existing users of the sponsors' brands need to be isolated from the non-users. This then is the plea for inclusion of behavioral measures in any sponsorship evaluation.

The study described below examines the impact of a New Zealand provincial rugby team's sponsors upon its hometown rugby fans. The two leading sponsors were New Zealand Breweries' beer brand, Lion Red, and New Zealand's national airline, Air New Zealand. Several smaller sponsors were also associated with the team and included in the research.

## 3. Objectives and method

The specific objectives for evaluating the impact of sponsorship upon home team rugby fans were to measure the awareness of team sponsors and then to evaluate the impact such awareness has, along with past purchase (of major team sponsors' brands: Lion Red and Air New Zealand), upon future purchase intentions for these major sponsors' brands.

Interviewing fans at sporting events presents particular difficulties, requiring adjustment of commonly used research designs (Garland, Macpherson and Haughey, 2004). This study adopted the two-stage survey research process used in sport research by Pol and Pak (1993). Stage one involved approaching fans in the stadium (with seat numbers providing the sampling frame), inviting their participation in a subsequent survey and, on acceptance, recording their contact details. Stage two involved a follow-up telephone survey that addressed the objectives discussed above.

Two professional rugby matches held in Palmerston North as part of New Zealand's National Provincial Championship (NPC) were selected for this research.

Five interviewers were issued with randomly selected seat numbers and instructed to approach those seats' occupants (aged 15 years and over) in the 20 minutes prior to match start. The local rugby authority gave support for the survey over the public address system. Potential respondents were offered an incentive in the form of a prize draw for autographed rugby jerseys.

Two hundred and twenty-four spectators were approached at stage one, yielding 170 potential respondents (76%). At stage two, 154 of these potential respondents were contacted, yielding 129 (84%) providing interviews. Given that 54 people refused to participate at the recruitment stage, one might present the overall survey contact results as: actual respondents (129) divided by those attempted to contact (224) = 58%. The maximum margin for error on the results derived from this sample of 129 fans is +/- 8.6% at 95% confidence. While this sample size might be considered as rather small, it is likely that non-sampling errors generated in the interviewing process (for example, respondent selection bias, inaccurate respondent recall, social desirability bias) might be more worrying. Fortunately, most of these potential errors were minimized by the first author's heavy involvement in the data collection.

The telephone survey (pre-tested prior to interviewing) took an average of under 10 minutes and contained a mixture of cognitive questions, behavioral questions, probability questions and demographic information. One of the critical parts of the questionnaire invited respondents to write down or memorize a version of the Juster scale (called the Verbal Probability Scale – a well-documented, public domain tool for estimating purchase probabilities over the telephone). This scale was used to estimate the probability of flying with Air New Zealand, and with buying Lion Red beer (both major sponsors) in the next six months. Juster's (1966) scale, and its derivative Verbal Probability Scale have undergone extensive validation work (see, for example, Brennan, Esslemont and Hini, 1995; Danenberg and Sharp, 1996; Rungie and Danenberg, 1998; Parackal and Brennan, 1999).

Two dummy sponsors were included in the sponsorship awareness questions, to help establish objectivity and provide an anchor point for the research results. The use of these dummy sponsors was based on previous research by Cuneen and Hannan (1993), Quester (1997) and Easton and Mackie (1998).

Three-quarters of the 129 respondents were male, two-thirds were aged 40 years and over, half were from households with gross annual incomes in excess of \$NZ60,000 and one third had attended all the home team's home games that season. This profile fits that of a typical New Zealand provincial rugby crowd (Garland et al., 2004).

#### 4. Research findings and analysis

The results for the specific research objectives, being awareness and past purchase behavior of the sponsors by the home team fans, and the impact of these variables upon purchase intentions, are discussed separately below.

**4.1. Awareness.** Awareness of sponsors is often the easiest to obtain measure of sponsorship effectiveness. As shown in Table 1, column 1, 81% of respondents could recall (with correct ascription) at least one sponsor (out of four major sponsors). This result can be compared with Easton and Mackie's (1998) study where 60% of respondents were capable of such unprompted recall. Further, half our home team rugby fans could name two or more sponsors (Table 1).

Table 1. Free awareness of sponsors

Sponsors correctly known	Total sample	Home games		Age in years	
		1-2	3+	<40	40+
	(129)	(59)	(70)	(46)	(83)
	%	%	%	%	%
None	19	27	13	14	23
1	30	29	30	32	29
2	29	27	30	35	23
3+	22	17	27	11	15

$X^2 = 6.04, df = 3, p < 0.10$   $X^2 = 4.01, df = 3, p < 0.25$

Not unexpectedly, and as Quester (1997) found, the percentage of respondents who can recall any more than two sponsors drops dramatically. Number of home games attended had statistically significant associations with unaided sponsor recall (though only at the  $p < 0.10$  level) whereas age of fan did not. Higher home game attendance ought to mean receipt of more exposure to communications by sponsors. After the unprompted recall of sponsors was exhausted, respondents were read those sponsors whom they had not named and the overall awareness of all organizations included in this experiment (including the two "dummy" sponsors) is portrayed in Table 2.

Table 2. Overall awareness (free + prompted) of sponsors

Sponsors' names	Aware	Not aware	Don't know
	%	%	%
Lion Red	92	4	4
Manawatu Toyota	74	6	20
Air New Zealand	72	16	12
Radio XS	58	15	27
Tony's Tyre Service*	37	22	40
Quality Bakers*	24	30	46

Note: \* Dummy sponsors.

The lead sponsor, Lion Red, commands a strong identity for this sponsorship among rugby patrons. At the total sample level (column 1, Table 2) the 92% overall awareness result for Lion Red is significantly better than that for the next two rivals,

Manawatu Toyota (a new vehicle franchisee) and the national air carrier, Air New Zealand. The two “poorest” performers in the awareness stakes are, in fact, not sponsors at all but “dummy” sponsors, placed there to help with establishing objectivity and relativity for the results. Just as in the Quester (1997) and Easton and Mackie (1998) research, awareness of dummy sponsors was significantly lower (thankfully) than for the “real” sponsors, giving some credence to the claim that sponsorship can contribute to brand awareness. Only when the dummy sponsor is a recent previous sponsor or where the sponsor has great synergy with the event is this finding likely to be overturned (Quester, 1997; Hoek and Gendall, 2001). Hoek (1998, 2005) suggests that sponsorship’s effectiveness should be measured in the same way as advertising effectiveness and that Ehrenberg’s ATR model can be applied. The basis of that model is that advertising acts as reinforcement for existing users of the products and services in question. Here the consolidation of awareness for these three well established “national” brands (given that Manawatu Toyota promotes auto brand Toyota) is evident when compared to Radio XS, a distinctly “local” brand. The high awareness results for the two of the major sponsors, Lion Red and Air New Zealand may simply reflect the double jeopardy effects of big brands superseding small brands. Such a result further substantiates the case for sponsorship, as a brand builder, being the preserve of larger, well-known brands.

**4.2. Behavioral intention.** To address the generic link between sponsorship and “sales activity”, respondents were asked if they would be more likely to buy a product (other things being equal) because the maker or seller of the product sponsored the home team. Researchers in many social and business science disciplines have long debated the reliability of single-item measures but do agree that there is a “case for single-item measures of cognitive and affective dimensions in the instances when simplicity, brevity, or global measurement are of paramount importance” (Kwon and Trail, 2005, p. 69). The “likely to buy” question used in this research had been tried before, with limited success, by Gardner and Shuman (1986) (who found that 53% of respondents reported being more likely to buy a product due to sponsorship), by Turco (1995) (with a 57% “yes” vote) and Easton and Mackie (1998) who found “the majority of response was indecisive or ambivalent” (p. 107).

Our findings were different again, with 30% of rugby fans claiming a positive effect, 65% no effect and 5% indecisive. Putting aside all debates about cognitive information processing and attitude-behavior discrepancies, the relatively scant evidence here suggests that a small (but arguably important) group of rugby fans claim their purchasing is influenced by sponsorship. However, nothing in our survey distinguishes them as significantly different from all rugby fans.

Half the sample had bought Lion Red beer in the previous four weeks and 36% had flown with Air New Zealand in the previous six months. 12% of Lion Red buyers or intending buyers said they would repeat purchase because Lion Red sponsors the home team while 31% of Air New Zealand’s passengers or intending passengers (totaling 62% of the total sample) gave the affirmative answer for Air New Zealand.

The correlations presented in Tables 3 and 4 allow for some tentative statements about the link between sponsorship and sales activity. Correlation is appropriate in these analyses given that the data from the Verbal Probability Scale are interval-based probabilities. Table 3’s results show that the best predictor of buying Lion Red beer in the next four weeks (a typical period for a fast-moving consumer good) is whether such an event occurred in the previous four weeks. Such a result is entirely in keeping with the ATR model. Yet some of the reinforcement of such behavior might be attributed to the rugby team sponsorship (recognizing that correlation is not causation) as approximately half the strength of the correlation (.353) comes from that relationship.

Table 3. Correlations: buying Lion Red beer due to its sponsorship of the home team

	Bought Lion Red in last 4 weeks	Probability buying beer next 4 weeks	Probability buying Lion Red next 4 weeks	Probability buying Lion Red 'cos home team sponsor
Bought Lion Red in last 4 weeks	1.000			
Probability buying beer next 4 weeks	.489	1.000		
Probability buying Lion Red next 4 weeks	.736	.488	1.000	
Probability buying Lion Red 'cos sponsors team	.353	.190	.472	1.000

Note: All correlations other than 0.190 are significant at the 0.01 level (2-tailed).

Table 4. Correlations: flying Air New Zealand (Air NZ) due to its sponsorship of the home team

	Flown Air NZ in last 6 months	Probability flying next 6 months	Probability flying Air NZ next 6 months	Probability flying Air NZ 'cos sponsors home team
Flown Air NZ last 6 months	1.000			
Probability flying next 6 months	.436*	1.000		
Probability flying Air NZ next 6 months	.166	.318*	1.000	
Probability flying Air NZ 'cos sponsors team	.084	.027	.258*	1.000

Note: \* Correlations significant at the 0.01 level (2-tailed).

## 5. Discussion and implications

**5.1. Discussion.** For the two major sponsors, Lion Red and Air New Zealand, the strongest associations observed were between recent past purchase and intended purchase. These two brands' sponsorship of the home team did resonate with home team fans, particularly for Lion Red. Undoubtedly, there is an affective component at work in fans' minds about the sponsors' involvement with the home team, and with the local community. How these positive feelings relate to purchase of the sponsors' brands however remains an enigma.

**5.2. Implications.** Our findings show that sponsorship helps reinforce existing buyer behavior and the logical extension is that sponsorship is perhaps rather more

suitable for larger, well-known brands which already have resonance with their customers. If we can assume that sponsorship works in a similar way to advertising, then it can consolidate existing purchase behavior by reminding (in this case) home team rugby fans of something they already approve of, bringing sponsors' products and services to "front-of-mind". Managerially, this has important implications for small brands and small business in general: if sponsorship is the only brand building element in the communications mix then that is a risky strategy. From the viewpoint of those responsible for measuring sponsorship effectiveness, there are some important lessons here too. Rather than just relying on what Meenaghan and Sullivan (2001) called a "relentless reiteration of recognition and recall" (p. 88), and following the advice of Hoek (1998) and Meenaghan (2005), researchers should consider adding behavioral measures – past and intended behavior with the sponsors' brands – to their battery of sponsorship evaluation questions.

## Conclusion

As with any consumer research, limitations are inevitable, although there is ample scope for replicating this research in other sponsorship situations. The study was carried out midway through the rugby season rather than at season's end limiting opportunities for sponsor exposure. Recall inaccuracy was clearly evident with up to one third of respondents mistaking "dummy" sponsors for bona fide home team sponsors. While measuring sponsorship effectiveness in sport and other domains remains a vexing issue for researchers and sponsors alike, well conceptualized behavioral measures are essential.

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