“Three-tiered sponsorship: a study of decision heuristics across multiple levels of sport sponsorship”

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Three-tiered sponsorship: a study of decision heuristics across multiple levels of sport sponsorship

Abstract

The purpose of this study is to identify relevant marketing outcomes that occur as a result of sport sponsorship at three levels: the player, team, and league. Relying on established academic literature, trade publications, publicly available key informant interviews, and corporate press releases, the authors employ an illustrative case study methodology to gain further understanding of three-tiered sport sponsorship in the consumer goods industry. The research offers three key findings. First, it finds that sponsorship at each level involves specific marketing elements that are agreed to contractually. Second, marketing elements at each sponsorship level are expected to differentially impact brand strategy and firm performance. Third, by impacting brand strategy, the study suggests sponsorship investments lead to important firm-level financial outcomes such as increasing sales volume and growing market share. The paper holds implications for scholars and practitioners in relation to sport sponsorship and brand strategy.

Keywords: sport sponsorship, three-tiered sponsorship, brand strategy, sports marketing, case study.

Introduction

In 2011, PepsiCo and the National Football League announced a 10-year sponsorship deal valued at $2.3 billion, making it one of the largest sponsorships to date in US sports (Wall Street Journal, September 6, 2011).

Engaged in a perpetual pursuit to connect with customers, marketers have found an effective tool in sports sponsorship. Recent research suggests this strategic tactic is emerging as a popular form of promoting brands to target markets (Clark, Cornwell & Pruitt, 2009). While some sponsorships such as clothing and apparel have an obvious connection to athletics, the connection with other products such as soft drinks and fast food are less clear. Companies like Nike, Under Armour, and Gatorade have shared sponsorship space with less athletically inclined brands like McDonalds, Pepsi, and Budweiser. Regardless, all of these firms share a common reality – when planning the corporate sponsorship mix, each firm must make a complex decision between endorsing a player, a team, or the league that oversees the sport. An example of this structure would be an individual football *player* for a specific *team* in a professional *league*. In making such assessments, the marketer must be cognizant of the expected benefits and costs involved in the exchange (Dees, 2011).

The purpose of this study is to extend our understanding of three-tiered sponsorship and identify the marketing outcomes expected by practitioners engaging in sport sponsorship exchanges across these three levels. This is a worthy research endeavor due to the increasing popularity of athletes and sporting events globally. Rapidly growing consumer interest in properties such as the NFL, along with its affiliate teams and players, stimulates the flow of sponsorship dollars toward these entities. However, academic inquiry can do more to understand and maintain pace with this marketplace trend. Our research serves to draw attention to facets of sponsorship and provide a needed focus on multi-level sponsorship issues. Our methodology, findings, and subsequent discussion coalesces around three levels of sponsorship and the expectations of marketers charged with making decisions to invest valuable resources at each level.

1. Initial assumptions

Our research is based on three fundamental assumptions regarding three-tier sport sponsorship. Our *first assumption* is that sport sponsorships are predicated on the principle of exchange (Lee & Ross, 2012) where the corporate marketer expects to realize benefits such as image building and/or increasing consumer purchase intentions as a result of sponsoring the sport entity (Walliser, 2013). Congruently, the sport entity expects to receive final compensation for allowing the corporate marketer to be aligned with the sport entity's activities. As a result, we adopt a social exchange perspective for our study.

Our *second assumption* is that decisions regarding whether or not to invest in sponsorship at each level increase in financial importance for smaller marketers as compared to larger marketers. In our study we posit that professional sport sponsorships are available across three distinct levels: player level, team level, and league level. Considering these three levels and cost associated with investing at multiple levels, it is our supposition that firms with substantial financial resources may not be forced to choose only one level of sponsorship.

Our *third assumption* is that investing in a single level may not be sufficient to accomplish the firm's marketing objectives. As a case in point, prior to 2010, professional football sponsorships for the Pepsi Max

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brand had been focused at the team level involving activities such as stadium signage and product sampling during events. This single-level approach did not lead to the desired outcome by translating to increased sales volume and market share (Zmuda, 2010). Pepsi Max re-launched in the summer of 2010 as the official soft drink of the NFL. PepsiCo further leveraged this league-level sponsorship by endorsing New York Jets quarterback Mark Sanchez, leading Pepsi Max sales volume to increase by 63% post re-launch and providing support for this synergistic approach to sponsorships (Zmuda, 2010).

2. Contribution to existing research

Our study contributes to existing sport marketing research in two ways. First, we put forth a conceptualization of sport sponsorship investment at three distinct levels: player, team, and league. One shortcoming of previous sponsorship research is that it has generally been unsystematic and has examined all sponsorships as homogeneous exchanges between the buyer and seller (Arthur, Scott & Woods, 1997). We address this issue with our conceptualization of three-tiered sponsorship which also has relevance across multiple sports including the National Football League (NFL), Major League Baseball (MLB), the National Basketball Association (NBA), and NASCAR (driver, race team, and NASCAR as an association).

Second, we identify specific benefits marketers expect to receive by investing at each level of sponsorship. Regarding the benefits received, while P&G and Pepsi Co serve as examples of powerful marketers with a wealth of knowledge, expertise, and financial resources, not all companies have the skill-set or financial resources of these consumer goods giants. For smaller companies, often there are no second chances and these firms must get it right on the first try or suffer dire financial consequences. Although scholars have investigated sponsorship decision heuristics that would aid smaller firms in making such important decisions, the literature is lacking in guidance regarding the anticipated benefits of investing across the three levels of sponsorship we have outlined. Recognizing the difficulty of allocating marketing dollars toward sport sponsorships, our study addresses the considerations around investments made at the player, team, or league level. Adopting a social exchange theory perspective, we use an illustrative case study approach to identify and describe the expected outcomes across the three levels of sponsorship.

3. Theoretical foundations and conceptual framework

The corporate marketer is increasingly compelled to include sport sponsorship into their promotional mix when previous successes have been realized through sponsoring sport (McCarville & Copeland, 1994). Given the financial outlays and marketing importance linked to sport sponsorship, there needs to be a focus on the decision heuristics applied by corporate marketers in selecting the level(s) of sport sponsorships. As the financial outlay associated with the sponsorship decisions has increased, expected to exceed US$53 billion in 2013, the return on this investment has become a more salient consideration to the marketer (Meenaghan, 2013). As such, more emphasis has been placed on the macro factors influencing the amount of return from a sponsorship exchange (Berkes, Nyerges & Váczi, 2007).

Additional efforts have been placed on validating the financial metrics to assess the return on each sponsorship decision (Harvey, Gray & Despain, 2006) and gauging the impact of sponsorship decisions on the financial health of the corporate entity (Farrelly & Quester, 2005). Financial metrics are now becoming common heuristics for making prudent sponsorship decisions and are increasingly being seen as normative approaches for gauging the efficacy of sponsorship involvement (Maestas, 2009; Olson, 2009). Even though metrics are becoming more sophisticated, research is still nebulous regarding the congruency between sponsorship levels and effectiveness (Dees, Bennett & Ferreira, 2010) so there continues to be a need to augment the existing literature regarding decision-making heuristics across sponsorship levels.

When assessing the efficacy of sport sponsorship and the firm's promotional mix variables, the social exchange aspect should be considered (Lee & Ross, 2012). Our social exchange perspective is based on the established premise that the corporate marketer and sport entity are both reward-seeking (Walliser, 2013). Hence each party will enter into this relationship expecting to realize more benefits than costs. While sponsorship investments have been largely profitable, in some instances the specific cost-benefit may be linked to the sponsorship level. For example, in analyzing the efficacy of mega sport sponsorships, O'Reilly and colleagues (2008) found that the level of intent-to-purchase inspired by sponsorship of the Super Bowl is relatively low. Purchase intentions were shown to increase, however, when examining the fit between personalities of NASCAR drivers and sponsors (Dees et al., 2010). Hence, to better understand professional sport sponsorships from the social exchange perspective, sponsorships need to be considered at the player, team, and league level.

3.1. Player-level sponsorship. Historically, player-level sponsorships have been sought after by marketers with the most preeminent athletes being highly coveted. As Michael Jordan's effectiveness as a marketer began to accelerate in the 1990s, corporate leaders recognized the value of having their brands endorsed by athletes and other celebrities (Kellner, 1996). In the exchange process, player-level sponsorships are designed to enhance pre-purchase attitudes of product uniqueness (Van Heerden, Kuiper & Saar, 2008). Other exchange benefits for the corporate marketer are the endorser effect on brand recall (Costanzo & Goodnight, 2005), brand enhancement (Choi & Rifon, 2007), and brand equity (Seno & Lukas, 2007). Celebrity trustworthiness, celebrity expertise, and celebrity attractiveness also influence purchase intentions (Amis, Slack & Berret, 1999).

Player-level sponsorships are increasingly being seen as offering brand enhancement. One of the most critical aspects considered by the corporate decision maker is the congruency between the images of the brand and the prospective endorser (Yeung-Jo & June-Hee, 2007). When a match is prevalent, consumers have been shown to have a higher level of motivation to make a purchase (Anderson & Zahaf, 2008). In contrast, when images are inconsistent, interest is generally unlikely to be generated from the target market (Yeung-Jo & June-Hee, 2007). Given the importance of image congruency to brand building and the establishment of a brand personality (Amos, Holmes & Strutton, 2008), sponsorships at this level may include partnerships between brands such as Under Armour and an established professional athlete like the New England Patriots quarterback Tom Brady or soon-to-be professional athletes projected as high draft picks (Sharrow, 2011).

The NFL Players Association has a licensing division that promotes player sponsorships for active and retired members (see www.nflplayers.com). When NFL stars are involved, player-level sponsorships generate substantial cash flow. For instance, Eli Manning accrued $13 million in sponsorships while Peyton Manning, Drew Bees, Tom Brady, and Tim Tebow are other NFL stars with extraordinary sponsorship potency (Dougherty, 2009). For example, Moore, Keller and Zemanek (2011) conducted one of the few investigations of marketing prowess among professional football personalities through examining the product solicitation effectiveness of Tim Tebow. This study suggests that Tim Tebow has become a sought-after spokesperson because of his ability to create strong consumer bonds. Because player-level sponsorships are an important component of sport sponsorship, information is needed on how they are utilized (Simmers, Damron-Martinez & Haytko, 2009). Therefore, we posit the following research question.

RQ1: (a) What promotional elements are received by the marketer; and (b) what are the expected outcomes of investing in player-level sponsorships?

3.2. Team-level sponsorship. A team-level sponsorship presents marketers with the opportunity to activate consumer promotions at a regional level while forming an association with (hopefully) a winning team (Renard & Sitz, 2011). Therefore, the aim is to relate positive images of the team to a particular brand. Through this identity transformation, marketers can arrange sponsorships at the team level when the objective is related to brand building and creating awareness on a regional level (Tribou, 2011). According to Henseler, Wilson, and Westberg (2011), professional clubs, in particular, increase brand equity for sponsors through their media coverage and exposure. In support of this, Parker and Fink (2010) indicated that highly identified fans have significantly more positive attitudes toward the team sponsor than fans that are lower in identification. In fact, the authors find that highly identified fans informed of a negative action by a team sponsor felt more favorably toward the sponsor if the team continued, rather than terminated, its relationship with the sponsor. This indicates a strong connection in the mind of consumers between a sports team and its sponsors. It is also suggested that sponsorship identity becomes stronger over time as a team builds on its identity and establishes customer loyalty (Shih-Hao, Ching-Yi & Chung-Chieh, 2012). Johnston and Paulsen (2011) further discovered that consumers who identify highly with the club, and who positively react to efforts to maintain club traditions, are more likely to have a positive image of the sponsor and show higher levels of sponsor patronage.

Given that contemporary marketers comprehend the importance of identification in optimizing brand equity, sponsorships with NFL teams are coveted. In 2010, the Dallas Cowboys were identified as the NFL's most popular club (Albergotti, 2010). The Cowboys have the identification level to solicit a diverse mix of sponsors that includes Ford, American Airlines, and Patron Tequila, according to Sports Business Daily, signed a 12-year sponsorship agreement with Miller Brewing Company worth approximately $8 million annually.

However, the Cowboys are not the only club experiencing sponsorship success as marketers regionalize their efforts. In recent years, the Oakland Raiders entered into an agreement with AirAsia (Balfour, 2009), while DiGiorno became the official pizza of the Green Bay Packers. As such, sponsorship exchanges at the team level should not be underestimated (Schlesinger & Gungerich, 2011). These findings lead to our second research question.

RQ2: (a) What promotional elements are received by the marketer; and (b) what are the expected outcomes of investing in team-level sponsorships?

3.3. League-level sponsorship. Professional leagues influence how teams and products are positioned and promoted in the marketplace (Mason, 1999). Wakefield and Bennett (2010) found that prominence enhances the identification of sponsors. Consequently, league-level sponsorships can positively impact brand equity through market coverage and exposure (Henseler, Wilson & Westberg, 2011). While team-level sponsorships are designed to gain regional market exposure, league-level association can be utilized for more broad brand building purposes. For example, Barclaycard enhanced awareness and became a global brand through its sponsorship of the Premier Soccer League (Gault, 2003).

League-level relationships can also enhance an organization's profits. Shi, Ghosh and Srinivasan (2010) found that marketing focused league-level sponsorships in financially sound, well-managed firms contributed significantly to shareholder value. Despite the wealth generating potential of league-oriented partnerships, some research suggests that these opportunities may not be advantageous to the marketer. O'Reilly et al. (2008) suggest that Super Bowl sponsorships are not generating a sufficient level of communication with relevant market segments to stimulate subsequent sales responses. Based on recent accounts of Super Bowl ad spending, it appears many marketers would disagree with such a conclusion.

Although some reservations have been evident regarding investing in Super Bowl advertising, corporate alignment with the NFL is still attractive. Marketers often have to formulate an entrepreneurial strategy in order to forge a successful venture with the NFL. Such actions require innovation, a proactive approach, and risk-taking behavior on behalf of the marketer (Ratten, 2011). An official sponsorship with the NFL typically gives the endorser the permission to use all 32 NFL teams, but often in a restricted manner, so marketers must develop creative and innovative promotions. For example, the NFL may require that all team logos be represented on point-of-sale material. Such caveats are in place to prevent endorsers from scoring a two-for-one by sponsoring the league and then using only a single team in a particular region, thereby avoiding the expense associated with sponsoring individual teams.

League-level sponsorships are constructed in differing ways. One sponsorship may allow a company to be associated with the league itself (the NFL) while another form of sponsorship may allow the endorser to be associated with some component property of the league (the NFL Draft). For example, in 2010 the NFL reached a five-year agreement with Nike, giving the apparel maker uniform and sideline apparel rights for all 32 NFL teams while Under Armour retains the apparel rights to the NFL Scouting Combine (Lefton, 2010). Although Under Armour is limited to the NFL Combine, the company's reported investment in sponsorships more than doubled in 2010 to $167 million from $78 million in 2009 (Kaplan, 2009). Hence, league-level sponsorships are of a commercial nature (Thwaites & Carruthers, 1998) which leads to our final research question.

RQ3: (a) What promotional elements are received by the marketer; and (b) what are the expected outcomes of investing in league-level sponsorships?

4. Methodology and analysis

We have chosen to employ a case study methodology using critical case analysis. This form of inquiry was selected because a single unit of analysis was examined: PepsiCo and professional sport sponsorships in the NFL. Yin (2008) identified the following sources of data for case study research: documents, archival records, interviews, direct observation, participant observations, and physical artifacts. We draw upon three of these sources of data for our study; documents, archival records, and interviews. By using multiple sources of evidence, we meet a key principle in case study research set-forth by Yin (2008), which indicates that a sound methodological approach is to draw from more than one source of information.

Case study analysis has been utilized in prior research to investigate sport marketing issues and to address other complex marketing concerns (e.g., Theofanides & Livas, 2007; Chung & Smith, 2007). Moore et al. (2011) applied critical case analysis to investigate how consumer bonds explain the endorsement prowess of NFL quarterback Tim Tebow. Other marketing aspects investigated through critical case analysis include search engine optimization (SEO) as an online technique (Spais, 2010), customer relationship management practices (Das, Parmar & Sadanand, 2009), and promotion of broadband networks (Tapia, Powell & Ortiz, 2009). We find that our research questions are aligned with this approach.

In this case study, we focused on PepsiCo and the company's sponsorship investments related to the NFL. Due to the vast amount of information available, and to add clarity and confluence, we investigated the following sub-categories: Pepsi Max (PepsiCo's key product initiative during the time period of our study), the NFL (league level), the New York Jets (team level), and New York Jets quarterback Mark Sanchez (player level). Our study included a comprehensive search of academic literature, trade publications, publicly available key informant interviews (CEOs and CMOs), and corporate press releases. The data gathered were categorized based on topic and applicability to each level of sponsorship. Next, the data were analyzed for emerging themes and commonalities. Based on this process we arrived at a set of initial findings.

Next, to increase the reliability of our findings, we conducted an in-depth interview with a marketing executive in the beverage industry with knowledge of our focus brand and the strategic sponsorship initiatives supporting the brand. Overall, information gained from this interview process supported our findings. In sum, we combined an extensive literature search and data collection with an in-depth key informant interview specific to our findings, thereby increasing the rigor of our methodology and strengthening confidence in our results.

5. Results

Overall, our study indicates that sponsorship level matters because each level is expected to differentially influence important, but distinct, marketing outcomes. In accord with this broader perspective, our study offers three key findings. First, sponsorship at each sponsorship level involves specific marketing elements that are agreed to contractually. Second, these marketing elements impact brand strategy. Third, by impacting brand strategy, sponsorship investments lead to important firm-level financial outcomes. Based on our findings, we present a conceptual framework in Figure 1.

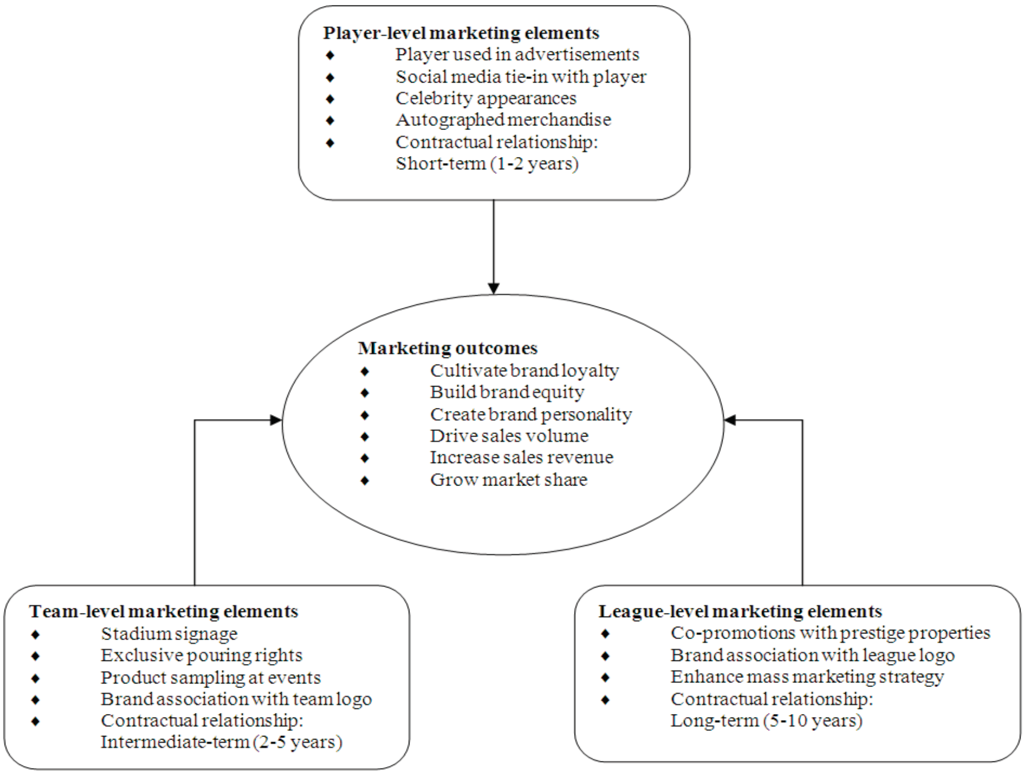

Fig. 1. Conceptual framework

Next, we discuss our findings in relation to specific sponsorship level marketing elements, brand strategy, and performance outcomes.

5.1. Elements of contractual agreements. A positive financial and marketing impact of professional sport sponsorship on corporate entities is a desirable outcome. One reason professional sport sponsorships appeal to the corporate marketer is that these offers can be exchanged at various sponsorship levels. With very few exceptions, we found that player-level sponsorships involved a short-term contractual relationship (two to three years). Contractual relationships at the team level were found to be intermediate-term agreements (two to five years), while league-level agreements tended to be long-term (five to 10 years). Regarding sponsorship level marketing elements, we observed particular elements consistently emerging from our data across each of the three levels.

Player-level elements include celebrity appearances, social media tie-in with promotions, players being used in advertisements, and autographed merchant-dise being used for consumer promotions. For example, to support his Pepsi Max sponsorship, Mark Sanchez gave away autographed merchandise using Twitter and Facebook and connected with fans by tweeting during Pepsi Max commercial shoots (Zmuda, 2010). In 2011, Amy Wirtanen, PepsiCo's senior director of marketing, commented in an interview with the New York Post that the player-level sponsorship of Mark Sanchez had lead to such great commercial success that PepsiCo had decided to "renew that relationship and expand it to the broader Jets team" (Atkinson, 2011) thereby indicating an understanding of the synergistic effect of combining multiple levels of sponsorship.

Team-level elements include stadium signage used to create a brand presence, product sampling during pre- and post-game events, exclusive pouring rights, and the opportunity to execute team-specific promotions. For example, the Pepsi Max driver popularized in television commercials participated in the opening coin toss and the halftime show of a New York Jets home game, bringing elements of the commercial to life for consumers (Fusfeld, 2010). Also, as part of the agreement with the New York Jets home stadium, PepsiCo has created a strong presence in one corner of the stadium in a way that immerses fans in Pepsi branding as they enter the stadium.

League-level sponsorship elements include co-promotions with prestige properties and league logo usage to create an association between the brand and the league. The league-level sponsorship between Pepsi Max and the NFL provides marketing rights to desirable league-owned properties such as the Super Bowl, Pro Bowl, NFL Combine, and NFL Draft (Zmuda, 2010). During a 2011 interview with a CNBC reporter, PepsiCo CEO Indra Nooyi expressed the company's desire to engage fans with the company's brands by leveraging the NFL relationship. This materializes in the form of activities like Pepsi Max sampling events at NFL games and promotional tie-ins with Super Bowl events such as the NFL Experience, Pepsi Super Bowl Fan Jam Concert Series, and the Pre-Super Bowl PepsiCo Bash.

5.2. Impact on brand strategy. Marketers with financial strength are able to take advantage of the cohesiveness and synergistic effect of investing at all three levels of sponsorship. For example, combining marketing elements at each level, Mark Sanchez was featured in a television ad wearing New York Jets apparel while helping Pepsi Max train to become the "Official Soft Drink of the NFL". This combines all three sponsorship levels by leveraging Mark Sanchez at the player level, New York Jets imagery at the team level, and NFL imagery at the league level (Zmuda, 2010).

Our study indicated implications for branding across three areas: brand personality, brand loyalty, and brand equity. Marketers covet strong brands because of the impactful benefits associated with well-established, successful brands. Berry (2000) suggests that consumers' purchase decisions are affected by their own emotions as they go about their daily lives in an "emotional world". Accordingly, exceptional brands establish an "emotional connection" with consumers (Berry, 2000). According to thoughts expressed by marketing practitioners, player-level sponsorships are expected to impact brand personality while team-level sponsorships are expected to impact brand loyalty. Regardless, each sponsorship level impacts brand personality, brand loyalty, and brand equity.

Specific to personality, creating a brand personality is important to marketers as prior research suggests brand personality characteristics "tend to be relatively enduring and distinct" (Aaker, 1997). Brand personality has been defined as "the set of human characteristics associated with a brand" (Aaker, 1997, p. 347). In relation to our study, Pepsi Max has a personality characterized by fun and intensity. Applying brand personality to our study, player-level sponsorship may offer a more direct path toward building a desired brand personality as compared to a league-level sponsorship. Player-level sponsorships may be likely to impact brand personality characteristics like humor or happiness, for example. Team-level sponsorships may be likely to influence broader brand personality characteristics like nostalgia and achievement. League-level sponsorships may be likely to influence broader brand characteristics.

As brand personality influences a consumer's connection with a particular brand, brand loyalty flows from the repeat purchase of the brand (Aaker, 1997). Marketers have realized for some time that there are financial benefits to be gained from establishing brand loyalty (Gounaris & Stathakopoulos, 2004). Chaudhuri and Holbrook (2001) suggest that "brand loyal consumers may be willing to pay more for a brand because they perceive some unique value in the brand that no alternative can provide" (p. 81). Brand loyalty is also expected to positively influence market share (Chaudhuri & Holbrook, 2001) and brand equity (Gounaris & Stathakopoulos, 2004). Thus, brands that cannot sustain healthy sponsorship exchanges may lose out since brand loyalty can be difficult to establish and maintain.

5.3. Firm-level financial outcomes. Following the logic behind brand equity, a well-established, highly regarded brand is likely to be preferred by consumers over less well-known brands (Keller, 1993). High brand equity is thought to lead an increased willingness to pay a higher price by consumers and therefore can command a price premium in the market. Such a premium adds to the brand's profitability and overall value of the brand to the company. Due to these desirable financial outcomes, practitioner interest in building brand equity has continued to grow. Ailawadi, Lehmann and Neslin (2003) point out that some firms have created "brand equity manager" positions and consulting firms have established offerings around brand equity monitoring and valuation.

When incorporated into a firm's brand strategy, sponsorship interactions with professional sport entities can affect the profits of the corporate marketer. Effective sponsorship at each level, in conjunction with sound brand strategy, is expected to contribute to increased sales and market share. For example, in the case of PepsiCo, team-level sponsorships provide the beverage company with exclusive distribution rights within a stadium. This component of the sponsorship agreement will lead directly to a sales volume increase regardless of the brand building effectiveness of the overall sponsorship. Otherwise, sponsorship at each level is largely an exercise in branding with the aim of creating a brand personality, developing brand loyalty, and building brand equity.

Strong brand characteristics (personality, loyalty, and equity) positively influence repeat purchase thereby driving unit sales volume and revenue. Customers make repeated purchases as they develop loyalty toward a brand which, in turn, leads to an increase in market share (Chaudhuri & Holbrook, 2001; Gounaris & Stathakopoulos, 2004). Brand personality and brand loyalty enhance brand equity, which makes a particular brand more valuable to the firm. Further, brand equity leads to desirable outcomes such as an increase in market share (Chaudhuri & Holbrook, 2001). In sum, brand personality and brand loyalty contribute to brand equity with all three branding elements acting synergistically to grow sales volume, sales revenue, and market share. Making measured investments in a three-tiered sponsorship strategy is one approach to leveraging these brand elements to drive financial performance of the firm.

Conclusion

Our study is aimed at identifying and describing relevant corporate marketing outcomes that occur as a result of three-tiered sport sponsorship at the player, team, and league level. A global increase in the popularity of athletes and sporting events, combined with rapidly growing consumer interest in properties such as the NFL and its teams, has lead to more interest in sponsorship investments from marketers. Currently, mixed results have been shown in the extant literature regarding the effectiveness of corporate marketers' sponsorship exchanges with professional sport entities. Moore et al. (2011) suggest that player-level sponsorships can be worthy investments for the corporate marketer when the endorser can bond with consumers. Conversely, it has been suggested that mega sporting events lack effectiveness in prompting purchase intention. It remains largely unclear how marketers should allocate sponsorship dollars across the sports landscape.

In an effort to address this challenge, we focus our study on three levels of sponsorship and make connections between each level and expected marketing outcomes. Relying on the foundation of established academic literature, trade publications, publicly available key informant interviews, and corporate press releases, we employ an illustrative case study methodology to gain further understanding of NFL sponsorships in the soft drink segment of the consumer goods industry. Specifically, we study the well-known brand of Pepsi Max, the NFL, the New York Jets, and quarterback Mark Sanchez. Our study holds relevance for scholars and marketing practitioners with an interest and involvement in sport sponsorship.

Our study offers three key findings of interest to scholars and practitioners. First, we find that sponsorship at each level involves particular marketing elements that are agreed to contractually. Player-level sponsorship agreements are typically short-term contractual relationships, team-level agreements are intermediate-term, and league-level agreements are usually long-term. This indicates the continuity of the social exchange between the corporate marketer and the sport entities. However, we find that the continuity between the parties tends to vary across sponsorship levels as also suggested by Dees et al. (2010).

Second, we find that marketing elements at each sponsorship level are expected to impact different elements of brand strategy. For example, creating a strong brand personality has become increasingly important to marketers. As such, due to the personality characteristics of individual players, sponsorship at the player level is expected to be more effective at developing brand personality as compared to a league- or team-level sponsorship. Clearly, this will be dependent on the level of congruency between the endorser and the corporate marketer (Dees et al., 2010). For example, Nike exemplifies a company that has used highly congruent sponsorships at each level to build brand personality and brand loyalty leading to strong brand equity and a competitive advantage in the marketplace.

Third, we find that, by impacting brand strategy, sponsorship investments lead to important firm-level financial outcomes such as increased sales volume and market share. For example, in the case of PepsiCo, exclusive stadium pouring rights, which is a team-level marketing element, will contribute directly to sales volume. In addition, building and leveraging strong brand equity to grow market share and increase sales revenue adds significant value to the firm. Consistent with existing literature which underscores the financial impact of sport-related sponsorships (Berkes et al., 2007), developing a three-tier sponsorship strategy allows marketers to influence specific strategic variables differentially to align with the firm's overall brand initiatives and lead to the desired brand and financial outcomes.

Limitations and directions for additional research. This study was designed to examine the Pepsi Max brand in relation to sponsorship elements of the NFL. Although this approach leads to valuable, detailed information, it lends itself to inherent limitations. First, the context of our study is specific to the consumer goods industry even though other industries invest heavily in sport sponsorship (e.g., the financial industry). Second, although Pepsi has been in the marketplace for decades, Pepsi Max is a relatively new brand so it is unclear how a more established brand (e.g., Nike, Ford) may benefit from investing at each level of sponsorship in regard to brand personality, for example. Third, our study was based on sponsorship activity over a brief period of time (less than two years) so the long-term effects of sponsorship investment at each level is uncertain.

These limitations can be addressed by future research examining three-tiered sponsorship investments made across various industries and studying the effects of such investments on a longitudinal basis. In addition, further delineation of the sponsorship level dimension is needed and empirical work is warranted according to specific professional sports. Scholars will find rich, interesting work in the area of multi-level sport sponsorship. The insights provided through this work will prove beneficial to marketing practitioners in the future.

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