SPORT SPONSORSHIP AS AN IMAGE DEVELOPMENT OPPORTUNITY FOR NEW BRANDS

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Abstract

Brand managers are increasingly using sport sponsorships as a marketing communications vehicle. While brand exposure to a target audience is a primary sponsorship goal, many firms also believe a sport association can be an effective way to enhance brand image. This paper attempts to add to our understanding of this topic by examining the role that sponsorships may play in helping to establish the identity of a brand that is new to the marketplace. Specifically, image transfer effects from sport to brand in the case of a new brand were explored. A second goal of the study was to assess the moderating effect that sponsorship level may have on potential image transfer. With the assistance of previous research in the area of brand associations, schema theory, and congruity theory, hypotheses were developed and tested via two experiments. The experimental results indicated that an announced sponsorship possesses the ability to influence initial image perceptions for a new brand. The results also indicated that the level of sponsorship moderates the effect. Specifically, the findings demonstrated that for a new brand, greater levels of sponsor commitment lead to increasing image transfer prospects. The research suggests that a sport sponsorship is a viable strategy in creating an early impression for a new brand. In addition, the greater the commitment to the sponsorship, the greater potential for a measurable impact on the brand’s identity.

Key words: Brand Image, New Brands, Sport Sponsorship, Brand Alliances.

Introduction

Data presented by the International Event Group (2003) would suggest that sport sponsorship is becoming an increasingly powerful force in marketing. In 2004, total sport sponsorship expenditures in North America were estimated to be $7.69 billion, and to reach $8.38 billion for 2005; this 8.7% rise surpasses growth in advertising (6.9%), and sales promotion (5%). Sports accounted for 69% of the total $11.4 billion spent in 2004 on corporate sponsorship (entertainment tours was a distant second at 10%). Worldwide sponsorship for 2004 was estimated to be $28 billion (IEG, 2003). Results of an IEG survey indicated that for 2006, the average sponsor will allocate 13% of its total marketing budget towards sponsorship (IEG, 2006).

While managers often cite brand exposure to a target audience as a chief reason for entering into a sponsorship, the opportunity to associate a brand with the image of the event, sport, or team is also a motivating factor (Irwin and Assimoupolis, 1992; Marshall and Cook, 1992; Gwinner, 97; Cornwell and Maignan, 1998; Meenaghan, 1991; Stipp and Schiavone 1996; Thjomoe, Olson, and Bronn, 2002). Results from a 2006 survey found that 51% of executives engaged in sponsorship indicated that changing or reinforcing an image was an extremely important consideration when evaluating a sponsorship opportunity (IEG, 2006). This stated sponsorship objective only followed the motivations of increase brand loyalty (68%), and create awareness (63%), in the survey.

The objective of this research effort is to further advance our understanding of the ability of a brand-sport alliance to shape the image perceptions of a brand. While image transfer has long been suggested (Meenaghan, 1983), it is only fairly recently that empirical research has explored this phenomenon. Given the growth and size of the sport sponsorship market, more research is warranted to better understand the factors playing a role in image transfer.
While academic research in this area is still underdeveloped, it would appear that practitioners would welcome a better understanding of the effectiveness of sponsorships. Trade research has noted sponsors rely heavily on post-sponsorship fulfillment reports and audits as a way of assessing Return on Investment (IEG, 2006). However, a majority stated that they felt that these reports are often inadequate. Surprisingly, even though they feel the sports property (sports franchise, etc.) provided reports are incomplete, 75% of the sponsors surveyed reported allocating either nothing or less than 1% of their sponsorship budget to concurrent or post-event research.

The current analysis seeks to build our knowledge of sponsorship effectiveness on two fronts. First, while previous research has examined sponsorship affiliation effects for existing brands, the focus in this study is new brands, unfamiliar to the consumer. While this form of analysis has been suggested (Gwinner and Eaton, 1999), sponsorship benefits specifically for new brands have not been a focus in previous research efforts. As creating an identity for a new brand is increasingly difficult given the clutter in traditional advertising mediums, examining alternative marketing communication opportunities is worthwhile. Insight regarding the efficacy of using alliances to assist in positioning a new brand would be valuable to managers charged with the responsibility of introducing a new brand.

The second goal of this study is to explore the moderating role of sponsor commitment level in image enhancement prospects. While the body of research that highlights image transfer in sponsorship is limited, there is some research that suggests that the characteristics of the sponsorship relationship stand to moderate enhancement effects. A conceptual paper by Gwinner (1997) proposed that sponsor exclusiveness (number of sponsors), and involvement (how engaged the perceiver is in the sport), are likely to influence image transfer prospects. It has been noted that image transfer from sport to brand is more likely if there is a functional or image similarity between the two entities (Gwinner and Eaton, 1999). Other research has suggested that event-sponsor fit promotes image transfer (Grohs and Reisinger, 2005). The current study seeks to build upon the work addressing the moderating factors in image transfer by focusing on sponsor commitment level.

Most sponsorship opportunities provide potential sponsors alternatives in terms of level of involvement/commitment (e.g., title sponsor, associate sponsor, etc.). Assessing value at each available sponsorship level can be challenging, especially given that brand exposure and brand image enhancement are top concerns (IEG, 2006). For a firm examining sponsorship level alternatives, brand exposure comparisons are relatively straightforward, image-based benefit comparisons are less clear. The relationship between perceptual return (stronger image association effects) and sponsorship level would be of interest to these decision-makers. A goal of this study is to provide insight that would be useful to brand managers as they seek to gauge the value of increased sponsorship levels towards achieving image enhancement goals.

In the upcoming section, background regarding brand associations will be discussed. Then, after highlighting supporting theoretical bases, the research questions addressed in this study will be identified. This section will be followed by a presentation of the study methodology and research results.

**Background**

**Brand Associations**

Keller’s (1993, 1998) work on brand associations offers perhaps the most complete overview of how attitudes towards brands are formed. Keller describes brand associations as the information-related components of a brand which are held in consumer memory. Brand associations can be primary or secondary, and generally come from three sources: direct brand experience, direct communication to the consumer (e.g. advertising), and inferences from other brand associations. For example, price, packaging, and product attributes are all primary associations that stand to influence brand image perceptions. Secondary associations for a brand are formed when a brand becomes linked with another entity that maintains its own identity. As a result of this connection, consumers are likely to infer that the two parties share associations. He suggests the outcome is that some associations be-
come “transferred” or “borrowed” from the other entity (source) to the brand. Perhaps the best known theory related to image transfer is that proposed by McCracken (1989). The researcher presented the theory that in the case of celebrity endorsements, the brand’s association with the endorser can lead to an image transfer from the spokesperson to the brand. Other spokesperson research has also supported the importance of matching brands with coveted images (Lynch and Schuler, 1994; Kamins, 1990). Keller has suggested that sponsorships present similar brand association effects as here also the brand is paired with a unique personality (the sport).

**New Brand Introduction**

A primary focus in this assessment of sponsorships is the role they may play in aiding new brands establish a meaningful identity. New brand proliferation has advanced in recent years. Getting a new brand to market is a challenge itself; gaining acceptance is a true achievement. While estimates vary, many believe new product failure rates to be in the area of 80-90% (Keller, 2003). Keller argues the success of a new brand is dependent upon maximizing brand awareness, and creating brand beliefs that promote intention to purchase. Effectively communicating what a newly launched brand stands for is a difficult task considering the increasingly competitive environment. Given consumers’ limited capacity and motivation to process information about new products, first impressions are important. Initial assessments of new brands are unique in that consumers often rely on simple heuristics to form an opinion. For example, research has indicated that when product quality is unobservable, initial beliefs regarding quality are a function of signals or cues (Kirmani and Rao, 2000). One study noted something as simple as perceived advertising effort is a signal of quality for a new brand (Barone, Taylor, and Urbany, 2005). It would stand to reason the same attitude formation technique is likely to be extended to initial beliefs regarding brand image. Consumers will utilize available cues and signals to make quick judgments. Meaning, salient brand affiliations with specific sports will contribute to the formation of preliminary attitudes.

**Supporting Theory**

**Schema Theory**

In order to understand how initial image perceptions about a brand may be developed, we turn to schema theory for guidance. A schema is a cognitive structure that represents organized knowledge about a concept or a stimulus. Schemas are formed as information relevant to an object, concept, or person becomes integrated into an organized unit (for complete review see Fiske and Taylor, 1991). A chief focus of schema research has centered on how new data about the entity can affect the way it is perceived as the new information becomes integrated with existing attitudes (Anderson 1981). In general, schemas become more well-developed or “stronger” as more knowledge about the entity is accumulated (Lord, Ross, and Lepper, 1979). Just as schemas exist for people, objects, and concepts, they are also thought to exist for brands (Sujan, 1985; Sujan and Bettman, 1989). A consumer’s maintained schema for a brand is believed to be based on its product-related and non-product related attributes. The non-product features that help define a brand’s schema are believed to include its associations (Keller, 1993). As a sponsorship is in essence a salient association, the theory would appear to support the premise that a consumer will integrate the information in forming an attitude towards the brand. In the case of an entirely new brand, public affiliations would seemingly be more influential as the brand schema is not fully developed due to lack of data points. The schema for a newly introduced brand would be highly susceptible to change with each new piece of information. This would not be the case for an established brand where the schema is strongly developed. For the well-known brand, any new information will join the many associations already in place; whereas for the start-up brand, new data will arguably be given more weight.

**Congruity and Attitude Change**

Additional theoretical support for the idea that an attitude toward a brand may change as the result of a new association comes from the principle of congruity. In their 1955 article, Osgood and Tannenbaum use congruity theory to explain how attitudes towards entities are susceptible to change when two concepts are associated. The theory presupposes that people maintain varying attitudes
toward diverse concepts. However, when a message is received that links the entities, individuals begin to assess the congruence of the association based on previously held beliefs. That theory states that given the new knowledge about a link between two entities, the perceiver is more likely to see the entities as similar, or more congruent. The authors note that the principle of congruity states that: 

changes in evaluation are always in the direction of increased congruity with the existing frame of reference.

The theory is used here to offer insight as to how image perceptions of a new brand may be influenced by the sponsorship. With the announcement of a sponsorship, a consumer is likely to see the brand and sport as more congruent. Schema theory would suggest this effect would be more pronounced for a new brand given its relative lack of established strong beliefs.

Given our current understanding of the impact that brand associations have on brand perceptions, and the underlying principles of schema and congruity theory, the following is hypothesized:

H1) The perceived image of a new brand will shift towards the image maintained by the sport after an announced sponsorship.

Level of Commitment

Brand associations can take any number of forms and often vary in terms of commitment of resources and goals. For example, in the case of brand alliances the level of firm commitment in a joint venture or a co-branded product is more significant than that of a short-term cross-promotion. Similarly, sport associations can vary widely in terms of commitment. In sponsorship, while some relationships are modest, others are extensive in terms of time and dollar commitment. “Sponsorship commitment” is defined here as the financial resources committed by the firm, as well as the duration of the sponsorship. The challenge for sponsors is to determine the appropriate commitment level given the firm’s objectives. As is the case with any marketing expenditure, firms are concerned with their return on investment. While traditional measures such as brand recall offer a metric for sponsor exposure, the measurement of brand image enhancement is more difficult. Considering that image enhancement is oftentimes a stated objective in a sponsorship, a greater understanding of perceptual return at various levels of investment is worthy of exploration. To date, little research has explored how “sponsorship commitment” moderates image enhancement prospects, this study seeks to shed light on this topic.

Previous research would indicate that association level stands to be an important variable in attitude change. Keller (1998) argues that the strength of the link between the associated entities stands to influence the ability of the entity to act as a secondary association. Hoch and Ha (1986) have similarly suggested that strong evidence presents the best opportunity to change attitudes and beliefs. One research effort noted that managers who had participated in sponsorships believed that longer commitments presented the greatest opportunity to enhance brand equity (Cornwell et al., 2001). It has also been suggested that sponsorship length and brand visibility are key in assisting sponsors achieve desired goals (Armstrong, 1988; Shipp and Schiavone, 1996).

With respect to image shifts due to sponsorship, these aforementioned research efforts would indicate that the greater the perceived commitment in the brand-sport relationship is, the greater the likelihood that brand (sponsor) beliefs will be influenced. Specifically, the change to image perceptions after an announced sponsorship will be positively, linearly correlated with the sponsorship level.

H2) The influence of a sport sponsorship on image perceptions of a new brand will be greater at higher sponsorship commitment levels.

Research Design

The primary goals of the study were to examine sport sponsorship association effects for a new brand, and to explore the significance of commitment level to moderate this effect. In order to examine the research questions, an experiment and a follow-up replicate experiment were conducted. Study participants included 350 undergraduate students at a major university. In each of the experiments there were four conditions. Thus, in order to cover the two experiments, the participants
were randomly assigned to one of seven groups (one control group, and six experimental groups). The cell sizes were equal with 50 subjects per condition.

Subjects in the control group were told that a market research company was seeking their opinion regarding a new watch brand that was to be marketed in the near future. The subjects were distributed a packet that provided information about a fictitious watch brand (Jamz). The information included a picture of the watch, some relatively vague information about the watch including features, and the type of stores the watch was to be sold (major department stores, e.g. Macy’s). Included in the packet was a short questionnaire. Imbedded in the questionnaire were questions addressing initial perceptions of brand image for the watch, and other questions that were unrelated to the study (initial response to the watch’s attractiveness and style, etc.). The image questions presented were based on the Brand Personality Scale developed by Aaker (1997). Aaker’s scale assesses brands on five personality traits (rugged, exciting, competent, sophisticated, and sincere). The personality questions were answered on a 9-point, 3-item scale representing each personality trait (1 = Least represents how I view the brand, 9 = Most represents how I view the brand).

The experimental groups were given the same product information as the control group, however in their packet was an additional page announcing that Jamz had recently entered into an agreement to sponsor a major sporting event. In the first experiment, the fictitious brand Jamz was presented as sponsoring a PGA golf event. In the replicate study, the sport presented was Grand Prix Racing. These sports were selected after pre-testing indicated that both were perceived as strong on a specific image dimension on the Brand Personality Scale (“Sophisticated” for golf, and “Exciting” for racing). Subjects in the experimental groups were dropped if they had low familiarity with the sport.

The sole difference between the brand launch announcements presented to the three experimental groups was the sponsorship level for Jamz. For experimental group one, the sponsorship level was characterized as “bronze” (least commitment), for the second group the sponsorship level was “silver”, for the third group the sponsorship level was “gold” (highest commitment). In the scenario presented to the participants, each level highlighted increasing degrees of brand exposure (signage at event), sponsor benefits (hospitality and product tie-in opportunities), length of sponsor contract, and sponsor resource commitment (annual cost). (Note: In order to confirm that study participants would perceive that the scenarios offered varying levels of commitment, a series of pretests with an independent student sample were conducted.) After reading the product information, and the one-page announcement of the sponsorship, the participants in each experimental group were cued to answer the same question set as the control group. The focus for the analysis was the evaluation of Jamz on the brand personality dimension of interest (sophistication for the golf scenario, and exciting for the racing scenario).

Data Analysis and Results

To test the hypotheses addressing changes to image perceptions as a result of an announced sponsorship, brand image ratings from the control group (no sponsorship) and the experimental groups (sponsorships disclosed) were compared for significant differences. In this between-subjects analysis, one-way ANOVA’s were employed. The mean brand personality scores from the 3-item scale were utilized to represent each dimension (exciting and sophisticated). The scale reliability for each personality dimension was good (Cronbach alphas: .89 and .91). As two sports and sponsorship scenarios were used in this analysis, for presentation purposes they are reported as Study 1 and Study 2.

**Study 1**

The first study highlighted the case where Jamz was purported to be a sponsor of a PGA Golf Event. The control group’s mean “sophisticated” rating of the new brand (Jamz) was 4.22 on the 9-point scale (see Table 1 for complete study results). Experimental group 1 evaluated Jamz after being exposed to a scenario detailing its “bronze level” sponsorship of a PGA Golf event. It was predicted that the experimental group rating of Jamz would be higher than in the control group. The results supported the hypothesis as Jamz was rated significantly higher along the image di-
mension “sophisticated” (mean = 4.88, p=.000). Similar results were found for the “silver level” scenario as the image rating was significantly greater when compared to the control group (mean = 5.10, p=.000). Finally, at the “gold level” sponsorship level, there was an even greater enhancement to Jamz’s perception on the sophisticated dimension (mean = 5.72, p=.000). These post-sponsorship image ratings for the new (fictitious) brand Jamz supported the hypothesis that consumer attitudes may be measurably influenced by the sport relationships. In addition, while significant differences were found for each sponsorship level, the results indicated the higher the sponsorship commitment is, the greater the impact on perceptions appears to be.

Table 1

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<thead>
<tr>
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<th>Control</th>
<th>Group 1</th>
<th>Group 2</th>
<th>Group 3</th>
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<tbody>
<tr>
<td>Jamz</td>
<td>4.22</td>
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<td>Mean</td>
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Study 2

In the second test, all the conditions were similar to those of study 1 with the exception of the sport. Once again, three levels of sponsorship were represented. In this study, the sport was Grand Prix Racing, which pretest determined was rated highly along the “exciting” dimension of the Brand Personality Scale. The analysis consisted of testing whether Jamz was perceived to be more “exciting” after an announced sponsorship of a Grand Prix Racing event (see Table 2 for results).

The control group’s rating of Jamz on “exciting” was 3.94 on the 9-point scale. The first comparison group who was exposed to the “bronze level” condition rated Jamz at 4.34, a statistically significant difference (p = .014). Slightly greater effects were found in the “silver level” (mean =4.46, p = .004). In the final condition, the “gold level” sponsorship yielded Jamz a rating of 5.44, a significant difference at the .000 level. Once again, there was a measurable perceptual shift due to the sport alliance, and an increased commitment level led to greater image association benefits.

Table 2

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<tr>
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<th>Control</th>
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<th>Group 2</th>
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<tr>
<td>Jamz</td>
<td>3.94</td>
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<td>4.46</td>
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<td>Mean</td>
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<td>F</td>
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<td>8.58</td>
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<td>Sig.</td>
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Discussion

Managers go to great lengths and expense to create an identity for a newly launched brand. Given the competitive marketplace, new brands are given a limited opportunity to make an impression. Advertising is often the vehicle of choice given the ability of the organization to control the message. However, as noted previously, sponsorship is establishing itself as a legitimate marketing strategy, and reports indicate that spending will continue to increase. International Events Group estimates that of known 2005 sponsors, 44% will spend the same amount, and 38% will spend
more in 2006. As marketers seek out alternative avenues to establish brand equity for their new brands, it stands to reason that sponsorship will be given more consideration than ever before.

The current study posed the question whether strategic sponsorships can assist in creating desired image beliefs. The research experiments also tested the impact that various levels of sponsorship can have on shaping the image perceptions of a new brand. The findings suggest a new brand’s alliance with a sporting event that maintains an established identity can send signals to consumers about its image. These results are consistent with other research in the literature that has addressed this question for established brands (Gwinner and Eaton, 1999).

Executing an effective positioning strategy has been demonstrated as being critical to the success of a new brand (Aaker and Shansby, 1982; Dickson and Ginter, 1987). The indication from the results of this study that aligning a new brand with a sport (or event) can help foster a desired image is noteworthy as it suggests that a sport sponsorship may act as an effective positioning tool. In the initial communication campaign to create an identity for a new brand, proactive measures to seek out associations with entities with desired images may be a worthwhile strategy. The announcement of a sport affiliation appears to offer a preliminary clue as to the character of the brand.

Executives of sponsoring organizations have expressed that demographic fit is a leading consideration in sponsorship selection (IEG, 2004). However, a good demographic fit does not necessarily ensure that the sport property will be an ideal image fit. The concept of fit has been highlighted in previous sponsorship research. Studies have indicated that “perceived fit” can have a bearing on consumer evaluations of a sponsorship (Gwinner and Eaton, 1999; Grohs and Reisinger, 2005). From the brand manager perspective, the results of this study underscore the importance of selecting a sport that will complement the desired identity of the brand. Not surprisingly, when selecting a sport with which to affiliate, psychographics was considered either very or extremely important by 47% of respondents to an IEG survey (2006). What was surprising, however, was the lack of expenditures to analyze the appropriateness of the sponsorship before they are signed; 33% allocated no funds and another 44% spent less than $5,000.

The results of the experiments also indicated that the higher the level of sponsorship is, the greater the image transfer effect will be. The findings suggest that image association benefits from a sponsorship may be linearly correlated with commitment to the sport-brand relationship. Seemingly an increasing level of commitment by the brand sends a stronger signal to the perceiver that the brand and the sport share identities. This result is consistent with previous brand research that has noted that the stronger the link between the associated entities is, the greater the ability for attitudes and beliefs to be altered (Keller, 1998; Hoch and Ha, 1986).

With each new sponsorship opportunity under consideration, firms must determine the level of relationship or commitment to the sport property. Clearly many factors will be considered in this decision. For those managers who are highly concerned with an image benefit from the sport association, insight regarding the perceptual return at various investment levels is valuable. Interestingly, in both experiments, the greatest change came in the bronze and the gold level sponsorships. As the most significant change to perceptions came at the highest sponsorship level, this would seem to support the belief that a leadership position (e.g., title sponsor) does offer noteworthy perceptual benefits. While the findings addressing the image benefits at higher sponsorship levels would be noteworthy for brand managers, these results also would be of interest to the sport organizations who seek out sponsors. Clearly, the charge of these groups is to sell prospective sponsors on the benefits of increasing their affiliation with the sport or team. The proposition that enhanced sponsor presence not only means superior brand exposure, but also greater opportunity for image enhancement, offers additional support for the argument for a greater involvement with the sport property.

**Limitations and Future Research**

While the study offered interesting results, there were limitations in this analysis. A notable limitation of this study was the controlled nature of an experiment. In this analysis, a convenience sample was employed to assess brand image perceptions in a lab setting. While experiments with con-
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Convenience samples are common in brand research, it is a shortcoming. The subjects were asked to make judgments about brand image based on limited information. In such a study, one might argue that the controlled, experimental environment fails to capture true attitude shifts towards sponsors that could be found in a field setting. In addition, potentially influential variables found in a field study, such as the characteristics of sponsor presence at the sporting venue, were unaccounted for in this analysis. For example, the true visual impact in terms of signage at each sponsorship level is difficult to replicate in an experiment. A future examination that would undertake the challenge of answering the questions posed in this analysis in a field study is a worthy venture.

The results of this analysis would lead us to believe that for those seeking an image boost from a sponsorship, the greatest image return on investment occurs at the lower levels and the highest sponsor levels. A pre-post field study that correlated image perception change with expenditure would be very telling to offer a sense of ROI or value at various sponsorship levels.

Unfortunately, one of the explanations why there has not been an abundance of research dedicated to better understanding the impact of sponsorship on image perceptions is the challenge of measuring the pre-post brand attitudes (Meenaghan, 2001). However, given the potential benefits of field research in examining these issues, time and energy dedicated to such projects would be justified.

An interesting future study would be to explore the image transfer differences between existing brands and new brands. Whether it takes an established brand a higher commitment level to realize image perception benefits is an interesting question. A direct comparison of the image changes to brands of wide-ranging brand strength at various sponsorship levels would be a worthwhile study. Brand associations with other entities that maintain established identities would also be worthy of analysis. For example, an analysis of non-sport sponsorships (e.g., the performing arts) would be an interesting undertaking. Also, the perceptual impact of brand-brand alliances (i.e., co-branding) is an area where more image transfer research would be warranted.

Once again, considering the growth and size of the sport sponsorship market, research in this field should be encouraged. In particular, as image enhancement is a commonly stated sponsorship goal, a further understanding of the influential factors that contribute to image transfer would be welcome.

References