

How Corporate Sport Sponsorship Impacts Consumer Behavior

Kevin Mason, Ph.D., Arkansas Tech University, Russellville, AR

ABSTRACT

Corporate sport sponsorship is one of the many tools marketers have at their disposal to try and reach consumers and influence them to buy their products and yet one of the least discussed forms of marketing communications addressed in the marketing literature. A key to effective sponsorship is the understanding of how consumer attitudes are formed and change. It is the purpose of this conceptual piece to examine the relationship between sponsorship and attitudes.

Attitudes are comprised of enduring cognitive (beliefs), affective (evaluative emotional attachments), and behavior tendencies towards an object. As such, attitudes have a strong impact on consumer behavior. Attitudes can then be changed by altering one or more of the three components. Sponsorship seems to affect the affective component of an attitude by creating a positive association between the consumer's sport team and the company's product. However sponsorship can also affect the attitudinal cognitive component by altering brand beliefs/perceptions. It should be noted though that leveraging activities are helpful when dealing with cognitive changes. Regardless, the ultimate goal of corporate sponsorship is to change the entire attitude resulting in positive behaviors (e.g., shopping and purchases).

INTRODUCTION

Marketers strive to make positive connections with consumers via numerous "tools" such as advertising, public relations, promotional tie-ins, and sponsorship. At present corporate sport sponsorship is becoming a very prominent marketing vehicle. Sponsorship occurs when a corporation funds a program (e.g., television or radio) or event whereby the sponsoring corporation has promotional material included into the program or event. Originally, advertising for radio and T.V. programs occurred in the form of corporate sponsorship (Harvey, 2001). Over the years, corporate sponsorship has grown to become a huge promotional tool. For example, in the United Kingdom, sponsorship expenditures increased from 4 million dollars in 1970 to 107.5 million dollars in 1997. Likewise, sponsorship expenditures in the United States increased from 850 million dollars in 1985 to 8.7 billion dollars in 2000. In 1994, 4500 companies spent around 4.2 billion dollars on sponsorship rights in North America and 67 percent of the rights purchased were sport related (McDaniel, 1999).

Anheuser-Busch and Phillip Morris are some of the more active companies involved with corporate sponsorship with each spending in excess of 135 million dollars on sponsorship in 1998. In particular, corporate sporting event sponsorship has become increasingly popular. For example, Coca Cola spent at least 650 million dollars on the Atlanta Olympic Games. MasterCard spent around 100 million dollars on the World Cup. North American corporations in 1999 invested 7.6 billion dollars in sponsorship with 67 percent of the money going on sports (Meenaghan, 2001; Madrigal, 2000).

Corporate sport sponsorship is becoming increasingly attractive in the United States and Europe because of the value that these cultures place upon entertainment, competition, and accomplishment (McCook, 2004). As a result, the sports industry is worth roughly 320 billion dollars in the United States. In addition, Westerners are highly motivated to achieve healthy lives. For example, forty percent of Americans participate in an athletic activity at least once a week (Douvis, 2004).

Problems facing marketers include how to assess the effects of sport sponsorship on consumer behaviors and how to determine its business value (Harvey, 2001; Meenaghan, 2001). In the past, researchers have relied upon theories from various social sciences disciplines (Douvis, 2004) to explain possible effects of sponsorship on consumer behavior. However, the research findings are antidotal, not empirical. For example, in California, a Federal Bank offered team themed checking accounts as part of sponsoring the NHL's San Jose Sharks (Madrigal, 2000). The bank reported 2000 new checking accounts, 4 million dollars in deposits and a 300 percent return on its investment. It is unclear how much of the increase in new accounts can be attributed to the promotional sponsorship. In short, while it appears sport sponsorship might be effective; the mechanics by which it works need to be better understood to determine its value as a marketing tool and to enhance its effectiveness.

It is clear that sponsorship has some impact on consumer behavior, but how much and why is not well understood. The purpose of this conceptual research is to explore the effects of corporate sport sponsorship on consumer behavior. Specifically, this paper explores how corporate sport sponsorship impacts consumer behavior via its effect on their attitudes.

ATTITUDES

To understand how sponsorship affects a consumer's attitude, it is first necessary to understand what an attitude is and how it functions. An attitude may be defined as an idea charged with emotion which predisposes a class of actions to a particular class of social situations (Triandis, 1971). An attitude can also be described as an enduring evaluative disposition toward an object or class of objects (Chisman, 1976).

All attitudes include affective, cognitive, and behavioral components. According to Chisman (1976), the cognitive component is merely the knowledge, belief, or idea one has about the object of the attitude (e.g., beliefs about a given brand). Triandis (1971) describes the affective component as the emotional attachment one has towards the object of the attitude (e.g., the degree to which one likes/dislikes a given brand). The behavioral component refers to how one reacts towards the object (Triandis, 1971). For example, does the person purchase the brand? While the attitude components are consistent with each other, they have separate measures (Madrigal, 2000).

Attitude Formation

When people are forming attitudes, stimuli are generalized and many different objects are placed into the same category of associations in their minds (Triandis, 1971). Once a category is formed through cognition, it can be associated with pleasant or unpleasant affective state (Lardinoit, Derbaix, 2001). When assigning the attitude, there is a prediction being made from previous observations of how a person acts at certain times towards an object. Attitudes are not perfect in this, since it is possible for people to have beliefs that are inconsistent with their feelings, but people will usually "select" consistent beliefs (Chisman, 1976). For instance, if a person changes their attitude toward one related thing, others will fall in line. But generally, attitudes are consistent if a person's beliefs and actions toward an object reflect their feelings about it in some way, which leads to attitudes being assigned according to the affective component.

Corporate Sponsorship

There are two kinds of sponsorship, "on site" or field sponsorship and televised broadcast sponsorship (Lardinoit, Quester, 2001). Field sponsorship refers to the placement of a logo on sports equipment or billboards at the scene of the event (Lardinoit, Derbaix, 2001). Broadcast or television sponsorship refers to a favored practice by advertisers who want their name associated with a specific TV program or its promotion (Lardinoit, Quester, 2001).

With field sponsorship there is the potential for a lot of distraction from other sponsors and the event (Lardinoit, Derbaix, 2001). One thing to remember is that highly involved fans will pick up on field sponsorship better than those not as involved. The reason for this is because highly involved fans are more knowledgeable and thus more sensitive to the environment around the event (Lardinoit, Quester, 2001) as they strive to know everything related to it (Lardinoit, Derbaix, 2001).

TV broadcast sponsorship occurs when funding of a TV program is paid for by a sponsoring company. TV broadcasts are less affected by the type of emotions generated by an event (Lardinoit, Quester, 2001) and unlike field sponsorship, there are no distractions from the event (Lardinoit, Derbaix, 2001).

There are several benefits of sponsorship over mass advertising (Meenaghan, 2001). For example, sponsorship operates through different cognitive processes than advertising (Harvey, 2001). It engages the consumer by bestowing benefit on an activity which the consumer has an intense emotional response to (Meenaghan, 2001). In turn, goodwill feeling comes to the company which influences attitude and behavior toward the brand. It is this goodwill that really makes sponsorship different from advertising. While advertising changes a consumer's perception of a specific product, sponsorship changes the perception of a specific sponsor which will rub off on the brands (Harvey, 2001).

Sponsorship is also more accepted by the public than advertising (Lardinoit, Quester, 2001). This may be because people know many events would not exist without sponsorship. In a study of people's attitudes towards 350 companies, the most favorable were those people aware of both sponsorship and advertising activities. Hence, the

sponsor's attempt to exploit the event in the media is seen as legitimate. In fact, TV sponsorship broadcasts that raise the awareness of the association may directly affect attitudes toward the sponsor. In fact, those with the highest involvement and most awareness of a sponsor's investment and benefit are the ones that are most pleased (Meenaghan, 2001).

Sponsorship is an indirect/disguised attempt to persuade, unlike advertising which is seen as direct with an overt intent to persuade. These factors, combined with the goodwill from sponsorship, make a consumer's defense mechanisms low when perceiving sponsorship, while these same mechanisms are high when watching commercials. For example, a person receives sponsorship in goodwill while they will be skeptical of advertising. Since one of the functions of an attitude is to keep a person's world pleasant by blocking out unwanted stimuli, sponsorship holds great potential for overcoming this.

Even with these advantages, there are extra burdens put upon the marketer when using sponsorship, which in turn makes the two forms of promotion intertwined (Dean, 1999). There has to be a creation of a link between the sponsor and the event, and if this link is not obvious it must be interpreted. This is not as easy as it may seem as only twenty percent of Olympic sponsors created these links and achieved a boost in perceived product superiority. The duration of this linkage is perishable and must be reinforced by advertising, which is known as a "leveraging activity."

Besides all of the differences sponsorship has, it does have some similarities with other forms of marketing (Madrigal, 2000). In addition to influencing a consumer's perception of product quality, uniqueness, and manufacturer esteem, and corporate citizenship; sponsorship is used to increase brand awareness by exposing it to as many potential customers as possible while establishing, enhancing, or changing brand image. The altering of the brand image occurs as a result of linking the product to a sport team or even (Harvey, 2001).

The Relationship of Sponsorship and Consumer Attitudes

People desire all three attitude components to be harmonious and will thus alter their overall attitudes to achieve consistency (Dean, 1999). A corporate sponsor hopes the consumer's positive feelings for the sponsored event will become linked with the company. Then after the feelings are linked, a "halo effect" may then suggest to consumers that the sponsor's products are better than the competition. Therefore this feeling of "good corporate citizen" for sponsoring the event may make consumers assume the company makes better goods. For example, if these exposures are associated with something for which the consumer has an affinity (the sporting event or programming being sponsored), positive emotional attachments may become intertwined. That is, the consumer's positive emotional liking for the sporting event or program (being sponsored) may rub off onto the sponsoring product or company (Lardinoit, Derbaix, 2001).

A factor which may increase the effect of sponsorship on consumer attitudes is the accessibility of the cognitive component (thoughts or understandings) of the attitude. If the cognitive thoughts/beliefs are prominent in the consumer's memory, the impact will be greater on the consumer's attitudes and thus his/her behavior (Levin, 2001). Thus for those consumers drawn to particular sporting events, marketers can use sponsorship to increase the frequency of exposure for their marketing messages and have greater impact on consumer attitudes.

Another interesting factor in sponsorship effectiveness is a company's prominence in the marketplace (Lardinoit, Quester, 2001). There may be a synergy between building market share and effective corporate sponsorship activities. More specifically, as corporate sponsorship increases consumers' awareness about the corporation may result in greater market share. And, a greater market share can increase the effectiveness of corporate sponsorship.

CONCLUSION

In conclusion, sport sponsorship can impact consumers' attitudes. By soliciting positive emotional attachments, corporate sponsors alter consumers' cognitive structures leading consumers to engage in desirable (from the marketer's perspective) behaviors. However, the goals of the company should be considered when making a sponsorship decision. A company must decide if they are trying to enhance brand awareness, image, or consumer attitude. This goal may dictate which form of sponsorship, if any, to use.

One thing that seems to be known for sure is that highly involved fans seem more receptive to sponsorship, which in turn may have consequences on chosen markets. There must also be a good fit between the sponsor and the property in order to properly reach the desired market (McDaniel, 1999) and capture their affective associations. If a lifestyle image is associated with a particular sport or event is not in line with a sponsor's target market then the company could really lose out. And after the proper sporting events are chosen to boost the brand image, more effective advertising must be used to leverage it.

REFERENCES

- Chisman, Forrest. (1976). *Attitude Psychology and the Study of Public Opinion*. University Park: Pennsylvania State University Press.
- Dean, Dwane. (1999). Brand endorsement, popularity, and event sponsorship as advertising cues affecting consumer pre-purchase attitudes. *Journal of Advertising*. Vol. 18, pp. 2-12.
- Douvis, John. (2004). A review of the research areas in the field of sport marketing: foundations, current trends, future directions. *Cyber Journal of Sport Marketing*. Retrieved June 17, 2004. <http://www.ausport.gov.au/fulltext/2000/cjism/v4n2-3/douvis43.htm>
- Harvey, Bill. (2001). Measuring the effects of sponsorship. *Journal of Advertising Research*. Vol. 41, pp. 59-65.
- Kiesler, Charles & Collins, Barry & Miller, Norman. (1969). *Attitude Change; A Critical Analysis of Theoretical Approaches*. New York, New York: John Wiley & Sons.
- Lardinoit, Thierry & Derbaix, C. (2001). Sponsorship and recall of sponsors. *Psychology and Marketing*, Vol. 18, pp. 167-190.
- Lardinoit, Thierry & Quester, Pascale. (2001). Attitudinal effects of combined sponsorship and sponsor's prominence on basketball in Europe. *Journal of Advertising Research*. Vol. 41, pp. 48-58.
- Levin, Aron & Joiner, Chirs & Camron, Gary. (2001). The impact of sports sponsorship on consumers' brand attitudes and recall. *Journal of Current Issues and Research in Advertising*. Vol. 20, pp. 23-31.
- Madrigal, Robert. (2000). The influence of social alliances with sports teams on intentions to purchase corporate sponsors' products. *Journal of Advertising*. Vol. 29, pp. 13-24.
- McCook, Kristie & Turco, Douglas & Riley, Roger. A look at the corporate decision making process. *Cyber Journal of Sport Marketing*. Retrieved July 12, 2004. <http://www.ausport.gov.au/fulltext/1997/cjism/v1n2/mcook.htm>
- McDaniel, Stephen. (1999). An investigation of match-up effects in sport sponsorship advertising: the implication of consumer advertising schemas. *Psychology and Marketing*. Vol. 16, pp. 163-184.
- Meenaghan, Tony (2001). Understanding sponsorship effects. *Psychology and Marketing*. Vol. 18, pp. 95-122.
- Triandis, Harry. (1971). *Attitude and Attitude Change*. New York, New York: John Wiley & Sons, Inc.

Copyright of Journal of American Academy of Business, Cambridge is the property of Journal of American Academy of Business, Cambridge and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.