The Public’s Perception of Sponsorship in Major Sporting Events

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Abstract

Sports Sponsorship has been the marketing tool of choice for companies aiming to reach wide target audiences and to benefit from branding impact globally and nationally (Macintosh et al, 2012). This study proposed to gain an increased understanding of the public’s perception of sponsorship in sports events in the UK whilst focusing on three main factors; brand awareness, corporate image, and consumer involvement. Thirty three participants completed a questionnaire relating to past experiences of sponsorship at sporting events. The findings from this study indicate that there is a strong relationship between sports involvement of consumers whom have a strong association or emotional connection with a particular club or sports team and their feeling towards sports sponsorship. Further findings of the study show that there is a lack of interest in sponsorship by sports consumers, with many of the participants claiming to not be interested in or affected by sponsorship stimuli.

Key words: Sports marketing, sponsorship, consumer involvement, corporate image, brand awareness.
Introduction

Macintosh et al (2012) believes that the marketing tool of choice for organisations wishing to reach wide target audiences, globally, nationally and locally is the sponsorship of mega sporting events. According to Kopp et al (1999) sponsorship is a process which is flexible and enables high levels of brand and corporate exposure to be gained. Alternatively Meenaghan (1991) defines sponsorship as an investment in an activity, in return for access to the commercial benefits associated with the event or activity. In the past sponsorship and advertising were two activities which have been classified under the same definition. However O’Reilly et al (2008) now states that sponsorship is now commonly believed to be a marketing strategy in its own right with the main distinguishing factor between the two being the element of goodwill, which enhances the relationship further than if it was a purchase of advertisement.

Meeaghan (2001) states that sponsorship of sporting events engages fans differently by presenting benefits to an activity, with which the consumer has an intense emotional relationship with. This is perceived to be an act of goodwill by the consumer resulting in a more favourable view of the sponsoring brand (Portlock and Rose, 2009). Over the years sponsorship has developed drastically, with the traditional elements such as ticket sales, signage and suits access no longer being ample for more refined sponsors (Clark et al, 2003). Clark et al (2003) also reported the main reasons for business organisations to engage in the sponsorship in sporting events. These are to establish a direct communication pathway with specific target audiences, demonstrate good citizenship by supporting events close to the target markets interests, with the most important factor for entering sponsorship being the possibility of increased visibility and market share.

The rationale for this study was to investigate the public’s perceptions on sponsorship of sporting events in the United Kingdom. This has been done by carrying out a mixed method questionnaire with thirty three participants, all participants were over sixteen years and have either participated in or spectated at a sporting event that has received sponsorship. This study aimed to investigate and create a greater understanding of sponsorship by questioning participants on their past experiences relating to sporting events and sponsorship. The direction of the study was influenced by research conducted by Ko et al (2008), their research explored the relationships between sponsorship awareness, corporate image, consumer involvement and future intent to purchase using quantitative techniques. Ethics approval was granted by Newcastle College. The research identified and used three determining factors, which were highlighted to have an effect on participant’s intent to purchase and their attitudes towards sponsorship. These factors were consumer involvement, brand awareness and corporate image. The study benefited from using qualitative data produced by the participants to support the quantifiable results, which were generated through the questionnaire.

Literature Review
The marketing of sport is seen to be essential (Beech and Chadwick, 2007) however over the years the definition has dramatically changed. Brassington and Pettitt (2002 cited in Beech and Chadwick 2007) state that sports’ marketing involves organisations working with the aim of meeting the needs of the consumers, in a way that will enhance profitability and efficiency.

However a current definition from Beech and Chadwick (2007, p4) defines sport marketing as “an on-going process through which contests with an uncertain outcome are staged creating opportunities for the simultaneous fulfilment of direct and indirect objectives amongst sports consumers, sport businesses and other related individuals and organisations”. Beech and Chadwick (2007) summarise this definition by explaining that it focuses on the importance of using exciting unpredictable events to create the successful achievement of objectives associated with involved individuals.

Sport sponsorship has grown dramatically over the past twenty years (Schwarz, Hunter and Lafleur, 2013). Figures produced by IEG (2003) who are the global authority for sponsorship, show that companies spent more than 51 billion pounds on sponsorship in 2012 worldwide, indicating that from 2010 an increase of more than five percent was experienced despite the downward state of the economy (IEG, 2013). Also between these years the sponsorship spending in Europe increased by nearly five percent from 13.5 billion pounds to over 14 billion pounds (IEG, 2003). Biscuit et al (2013) believe that sponsorship is moving in a direction away from philosophy of corporate donation to being a vital element of marketing strategies used by major organisations to create a competitive advantage in their market place.

Cronwell (2008) suggests that sponsorship acts as a marketing strategy used to communicate with vast audiences and to differentiate themselves from competitors, with the critical aim to persuade consumer’s preferences towards their products and away from market competitors (Barros and Silvestre, 2006). Henseler, Wilson and De Vreede (2009) explain that in order for a sponsorship deal to be successful, sponsees need to ensure that they attract sponsors with the ability to supplement the event strengths and provide support in overcoming the event weaknesses. Henseler, Wilson and Vreede’s (2009) study also found that when a sponsoring brand has a higher profile and a strong brand image, learning is more likely to occur, thus creating a higher chance of the sponsor stimuli to have an effect on intent to purchase.

Clark et al (2003) believe that companies engage in sport sponsorship in the effort to accomplish a variety of objectives, which include establishing direct communications with a specific target audience through leisure activities and to demonstrate good citizenship. Meenaghan (2001) supports this by suggesting that sponsors invest in professional sports teams to generate a good will effect amongst fans, which as a result influences the consumer’s attitudes and behaviours towards the sponsor.

Nufer and Buhler (2010) proposed that one reason for sponsorship becoming so popular amongst companies is due to the barriers which have made reaching target
audiences through paper and television commercials much more problematic. Nufer and Buhler (2010) also suggest that some companies may also be involved with the intent of making relations with business associates and to motivate staff with benefits from the sponsorship deal e.g. free tickets and merchandise. However increasing brand visibility and market share are rated the most important motives for the sponsoring organisation to arranging a sponsorship deal (Clark et al, 2003). Within the study it is expected that participants will identify this to be the main motivator for organisations to take part in sponsorship.

Sponsoring corporations are being encouraged to act carefully when choosing who and how to sponsor an event (Kim, Smith and James, 2010) as despite the dramatic incline of sponsorship in sporting events not all sponsees and sponsors are benefiting, with many sponsors not engaging the consumers in a way that attracts people to the event or to purchase the product/service with different organisations having different target audiences which will be attracted in different ways. Clark et al (2003) conducted secondary research in order to examine sports sponsorship from a business to business perspective. One of the findings indicated that a consumers perceived genuineness in the sponsor, and the level of fit between the sponsor and event may have a positive effect on the success of the deal. McDonald (1991) also completed a study in this area which supports this statement and specifies the importance of product relevance to sponsored events based on direct and indirect approaches.

A quantitative study conducted by Ko et al (2008) showed that students with high perceived brand sport image fit are more likely to transfer favourable associations from the sport event image to their evaluation of the sponsor’s corporate image. In terms of this study the relatedness of the brand may affect the public perception of sponsorship. If an event is sponsored by irrelevant products it would suggest the consumers will have a negative perception and a reduced intent to purchase.

Research conducted by Ko et al (2008) states that there are three factors which have an effect on consumers purchase intentions; these are consumer involvement, sponsor awareness and corporate image. Pham (1992) states that sports involvement during a soccer game caused an inverted U effect on the recognition of sponsorship advertisements. This would propose that as involvement levels increase attention becomes more focused on the relevant sources of information such as the sport they are spectating. Pham’s (1992) findings explain that a consumer with low levels of involvement will have a smaller attention capacity, which is spread between the event as a whole. Alongside this meaning of a lack of attention for sponsorship stimuli, it is also stated that as the level of involvement increases further overall attention is assigned to the event, which subsequently gives more attention for the sponsorship stimuli to be received (Mitchell,1979 cited in Pham 1992). Kahneman’s (1973) findings support Pham (1992) and suggests that as involvement reaches high levels less attention is given to sponsorship stimuli. Alternatively, Ko et al's (2008) discoveries suggest that highly involved consumers are more likely to be aware of sponsors and to develop a positive image of those sponsors. This would suggest that a loyal football club fan would have a
greater knowledge on the sponsors of that particular team in comparison to a person who watched football but was not committed.

Meenaghan (2001) conducted a focus group interview which findings suggested that increased involvement in a particular sponsored activity evoked a positive emotional orientation towards the sponsor. In terms of the study expected findings would be that the more involved a participant is in a sport the more likely they are to show a positive reaction to sponsorship.

Brand awareness is defined as “brand recall and recognition performance by consumers” (Keller, 1993, p. 2). Brand awareness is a factor that has been distinguished to have an effect on consumer’s intent to purchase a product (Rossiter and Percy, 1997). Koo, Quaterman and Jackson (2006) identify two types of brand awareness, these being recognition and recall; recall refers to unprompted brand awareness, whereas recognition relates to prompted brand awareness (Ferrand, Torrigiani and Povill, 2007). Sports sponsorship researchers often use brand recall to assess the awareness of a sponsor’s brand (Cuneen and Hannan, 1993; Pitts, 1998; Pope and Voges, 1994; Sandler and Shani, 1993; Stolar, 1993 cited in Ko et al, 2008). Within the study prompted recall will be used to evaluate brand awareness though participants being asked to select the official sponsors of the Olympic Games out of a list of brands. This is similar to research conducted by Turco (1994) however he used an unaided recall test to explore the levels of sponsor recall; results from Turco’s (1994) research found that seventy eight of the spectators successfully identified the main sponsor with twenty two per cent regarding the sponsor to have positively influenced them.

Javalgi et al (1994) cited in Ko et al (2008) conducted research which found that consumers who could recall sponsors successfully had stronger beliefs and more positive images about the sponsors compared to those who were less successful at the task. In relation to the task being carried out in the questionnaire it would suggest that the participants, who answered the brand recall question correctly, would display a more positive attitude towards sponsorship and be more aware of sponsorship in general. However research conducted by Pham (1992) which suggested an inverted U is created in relation to sports involvement and sponsor awareness may alter the results of the brand awareness element of the questionnaire.

Corporate image is described as the impressions of a particular company held by members of the public (Johnson and Zinkhan, 1990). The image of sport and/or a sports organisation has the potential to influence the behaviour of all those involved with that organisation including fans, spectators and members (Ko et al, 2008). Although the enhancement of corporate image is one of the major communication objectives for sponsors it is not a factor that has been researched in as much depth as others (Pope and Voges, 2000). Research conducted by Turco (1995, cited in Ko et al, 2008) found
that consumers with a more favourable image of a sponsor were more likely to purchase the sponsors products than those with a less favourable image. Expected findings relating to corporate image in relation to the existing literature would suggest that the more favourable the participants feel about the sponsor the increased level of intent to buy. Findings may also suggest that sponsors with lower perceived relationships to the sporting events may then lower the corporate image.

Method

This study is a mixed method piece of research which gathered both quantitative and qualitative data. In order to gather data a questionnaire was designed with a combination of open questions along with multiple choices. The inclusion criteria for participants who took part in the study stated that all participants had to be over the age of sixteen, and have either participated in or spectated at a sporting event that had received sponsorship. The study used stratified sampling in order to gather the participants. A pilot study was conducted prior to data collection which clarified that the method was collecting the desired information.

The questionnaire was designed due to the nature of the study and the research questions being investigated. The questionnaire designed comprised of two sections, the first section gained personal information about the participants. The second section of the questionnaire included the questions relating to sponsorship of sporting events in regards to the participants past experiences. A small amount of limitations were identified with the method, one being that participants had to use recall to complete the questionnaire, another being that a large proportion of participants were sports students; meaning they may answer in a way that they have been taught rather than how they truly feel.

Results and discussion

The Primary purpose of this study was to gain a greater understanding of the public’s perception on the sponsorship of sporting events. The findings that arose from the research show a mixed response with some results in support of existing findings and others contradictory to what was expected.

Within the literature review one of the expected findings highlighted that the public would identify that the main motivation for companies to take part in sponsoring sporting events is to increase visibility and market share. This was predicted due to statements made by the IMB’s Olympic sponsorship manager highlighting that corporations do not take part in sponsorship as a good will measure nor for corporate contribution but to solely to gain a greater market share and increase brand visibility (Clark et al, 2003). In relation to the study the majority of participants highlighted brand
visibility to be the main motivation to take part in sponsorship which supports the existing literature on this topic. None of the participants stated that companies participate in sponsorship to solely support the events, this supports Walliser, (2003) and Sleight (1989) (Cited in Nufer and Buhler, 2010) who expressed that sponsorship should be a commercial investment with no relation with charity or goodwill. This shows that the public believe and understand that organisations are using sponsorship as a tool to improve their current situation within the market. This is evident in question five, where participants were asked about their opinions on McDonald’s being an official Olympic Sponsor. One of the participants stated: “This is a company that sells extremely unhealthy foods, and despite all of the negative publicity that McDonald’s has received it still remains a multimillion pound company, and the Olympic Games are just adding to this success.”

In the study when asked if the participants would attend an event despite it being sponsored by a negative company or product, over 90% of participants stated that they would still attend regardless and that the sponsors did not have any influence on their participation behaviours, this can be seen in Figure 2. These participants stated that the sponsor did not affect their attendance of an event and made statements like “I enjoy the match either way, it is all about the event” and “I go to watch my team play”. The remaining participants who stated that the sponsor did have an effect on their sponsor stated “If I do not agree with the company or products supporting the event, I will not associate myself with the event” and “If the event is willing to accept money from such companies, then this puts doubts into my head about the organisers moral and ethical standards.” When asked on views of McDonalds being an official sponsor of the Olympic Games a significant number of participants expressed that they did not feel that it was right and that a more positive or related product should have been used. This finding supports Wakefield and Bennett (2010) who revealed that market prominence of a brand and the relevance of a brand and the relevance with the team or event are crucial factors in determining how consumers respond to a sponsorship deal. However these two findings in the study somewhat contradicted one and other as it would be expected that if they did not agree with the sponsor they would not attend the event.

In relation to the three key factors which were identified by Ko et al (2008) which includes sponsor awareness, consumer involvement and corporate image, these are all thought to have an effect on intent to purchase. One of the expected findings which were
related to consumer involvement stated that increased involvement by a participant would increase the likelihood of a positive reaction to sponsorship. In the study there was evidence of this to be true as participants with a strong level of loyalty to a team proved to be more supportive of the team’s sponsorship choices, this was supported by statements made such as “Wonga supporting NUFC did not stop me from supporting, they help the team financially at the end of the day” and “It is up to the team who they want to be sponsored by”. This is in support of Madrigal (2000) who found that an increase in intent to purchase would more likely to occur when there is a greater identification with the team. However a few of the participants proved that their sole interest was in the sport being played with no interest in the sponsors claiming that they had no effect whatsoever on their behaviours. This would support Pham (1992) who believes an inverted U is created in terms of level of involvement and sponsorship interest/awareness. This suggests in relation to the findings that depending in what way the consumer is involved will impact how much they relate to the sponsor. For example someone who just enjoys a sport but does not support a particular team may prove less likely to be influenced or supportive of a sponsor than those who have a strong association with a team or athlete that has an established sponsorship program.

The study showed that over 87% of the participants were not affected by sponsorship with participants expressing that they do not buy products because of sponsorship stimuli, and stating that a sponsor does not affect their view of the sporting event. However participants did express that they believe sponsorships should have a strong relationship with the sport or event and be seen to be a positive product, this may be a way of increasing their purchase intentions. This was evident in responses like “MacDonald’s do not have the same motivations and morals as the Olympic Games”. This would support the expected findings that the more favourable the participants feel about the sponsor the increased level of intent to purchase. From the research it would suggest that the more favourable the consumers feel about the sponsor the higher the level of intent to purchase. This is supportive of Meenaghan (2001) who explains how sponsorship can be used as a way of engaging a consumer by creating an association with a club or team of which has a large fan following and emotional connection.

Within the research participants expressed their feelings on McDonalds as an official sponsor of the Olympic Games. Regarding responses it was evident that over half of the participants identified that the company should not be a sponsoring body due to the nature of the products sold. Participants also recognized that McDonalds were a worldwide multimillion pound company with the power and resources to provide large investments into the Olympic Games suggesting that they have a high perceived corporate image despite the products being sold. These findings do not support the expected findings which expressed that the level of perceived relationship to the sporting event has a positive effect on the corporate image.

Participants were also asked if they felt that tighter regulations should be made on who can sponsor sporting events, 44% of participants stated ‘yes’ that they did feel tighter regulations should be enforced. Some of the responses included “They should ban
immoral sponsors such as cigarette and alcohol companies, as they may have an influence in the younger audience” and “Any company which promotes or takes part in negative products should not be allowed to piggy back on the good work of event organisers”. This suggests again that although 87% of participants stated their view of an event does not change depending on the sponsor; they do feel that sponsorship should be improved in a way to enforce tighter regulations.

All in all this research has indicted that there is a strong relationship between sports involvement in terms of consumers who have a strong association with a team or club and their perception of sponsorship. These consumers are more likely to be in support of their clubs sponsorship choices due to the feeling of belonging regardless of the sponsor and the perceived level of fit. Also from this research it can be identified that a significant number of participants were not influenced by sponsorship showing that for consumers of sport it is not a major part of the experience with attention being directed at the event or sport in question, this finding relates back to Pham (1992) and his findings relating to the inverted U theory.

**Recommendations**

From the research conducted in this study it would suggest that in the future, research into sports sponsorship should be aimed to investigate why people feel the way they do about sponsorship. From this study it appeared that there was a split between the participants with some stating that they believe sponsorship has a major influence on people’s behaviours whereas other participants had a much more laid back approach stating that people do not take notice of sponsorship and that people are not affected by differing sponsors. It would be interesting to see whether there were any determining factors that may adjust how people feel, for example the level of education, the age or gender of the participants or parental beliefs.

On top of the limitations highlighted in the method other possible flaws may include the environment that the participants completed the questionnaire in. Participants were in a room full of other individuals when filling in the questionnaire, this may have had an effect on the responses that were given as they may have been influenced by peers. To avoid this, participants should be asked to complete the questionnaire in an area with no other distractions. This study supports existing literature on sponsorship, focusing on three main factors: brand awareness, customer involvement and corporate image. The study varies from other studies as it uses quantitative methods alongside qualitative to help identify the key factors and different perceptions of sponsorship.

This study is beneficial for brands seeking a sponsorship deal. The research shows key factors that affect consumer’s perceptions of sponsorship in sporting events. The study will also help companies determine whether their brand will benefit from the deal. Other people who will benefit from the study are organisers of sporting events and managers of sporting teams. These people will be able to gain a greater understanding of the three factors and see how these can influence the success of a sporting deal which may give them more knowledge when arranging sponsorship deals in the future.
References


