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THE EFFECT ON SPONSORING BRANDS
OF ATTITUDE TOWARD A SPONSORED EVENT
AND BRAND-EVENT FIT

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Abstract

This study investigated whether sponsoring an event changes consumers' opinions of its brand sponsor. Generally, brand attitudes and quality judgments did not change as a result of sponsorship announcements. Additionally, consumers' attitude toward an event influenced their attitude toward and their quality perception of the sponsoring brand when the event was popular. Perceived fit between the brand and the event influenced brand attitude and quality judgments only when the event was unfamiliar.

While there is no doubt that marketers are spending billions of dollars on event sponsorship, precise figures of the extent of expenditure are hard to come by. However, a recent study by IEG, a sponsorship consultancy, revealed that among respondents, the percentage of the marketing budget devoted to sponsorship had risen to 17.

There are many issues that marketers need to consider before they decide to sponsor an event, most importantly the trade-off between the cost of and the benefits from the sponsorship. The benefits of sponsorship, in both financial and non-financial terms, can be assessed by studying the marketing impact of the sponsorship on potential customers and on the community at large. One factor that would affect how individuals react to the sponsor is their attitude toward the event itself. The more individuals like an event, the more likely would they be to embrace the sponsor. At the opposite end, if individuals do not like the event, the sponsor's image might be tarnished. As a recent example, two organizations, the Catholic League for Religious and Civil Rights and Concerned Women for America, called on the Miller Brewing Company to relinquish its sponsorship of San Francisco's Folsom Street Fair on the grounds that the fair, with its sexual overtones, is morally depraved. Apart from individuals' opinions of the event itself, they are also likely to assess the fit between the event and the sponsor in evaluating the sponsor. A food brand sponsoring a culinary event is likely to enhance its reputation more than when it sponsors the local symphony.

Among practitioners, some seem to appreciate the importance of fit in selecting an event to sponsor as exemplified by the comment of one marketing executive that depending on what is appropriate to a product or brand, a company should create and sponsor an arts

festival, a sandcastle-building competition, or even a children's painting event (Loo 2002).

While it may be conceptually reasonable to expect this phenomenon, to our knowledge, despite the wide variety of academic research on the topic of sponsorship (e.g., Sneath, Finney and Close (2005), Akaoui (2007), and Close, Finney, Lacey and Sneath (2006)), there is little empirical research to guide marketers on whether individuals' attitude toward the event and their perceptions of fit between the sponsor and the event do change their opinion of the sponsor. This study was designed to find out if and how these factors influence opinions about the brand sponsor.

HYPOTHESES

Attitude Toward The Sponsored Event and Perception of Sponsor

When event-goers or other individuals become aware of the sponsorship of an event, one would expect that they would be grateful to the sponsors for allowing them an opportunity to attend or watch the event. People know that staging events can be quite expensive and therefore, understand that many events would not take place without the financial help of sponsors. More personally, they may believe that sponsorship allows them to attend or watch the event free or at a subsidized rate. Therefore, for events that individuals like, such gratefulness or goodwill is expected to result in a more positive attitude toward the brand sponsor.

In situations when individuals do not have a favorable attitude toward the sponsored event, their attitude toward the sponsor is likely to turn more unfavorable. The Miller Brewing Company's sponsorship of the Folsom Street Fair cited earlier is a case in point.

Thus, regardless of whether their attitude toward the event is positive or negative, some change in their attitude toward the sponsor is likely to occur. Therefore, we hypothesize that:

H1: Attitude toward a sponsored event will change attitude toward the brand sponsor.

At the same time, individuals' opinions of the sponsoring brand's quality are unlikely to change because they know that a brand's product quality is independent of a sponsorship decision. In other words, the gratefulness and goodwill generated by sponsorship of an event would not change people's opinion of the brand's quality. Therefore, we hypothesize that:

H2: Attitude toward a sponsored event will not change perceptions of the brand sponsor's quality.

Fit Between Event and Sponsor and Perception of Sponsor

The fit of a sponsored event with a sponsor is also likely to impact peoples' opinions of the brand sponsor. An event that closely fits with individual's knowledge of a sponsor (such as a marathon sponsored by a sports shoes company) is likely to impact a brand more positively than an event that does not fit what people know about the sponsor (a sports shoes brand sponsoring a classical music concert).

This fit can be conceived in different ways. First, individuals may consider the fit of the brand with the overall theme, purpose or image of the event. For example, most sponsors of the Supercross, a motorcycle race held in the San Francisco Bay Area, were associated with the automotive industry including, as is to be expected, motorcycle brands such as Honda and makers of motorcycle accessories, and also car and tire manufacturers. In

some cases, individuals may evaluate how the image of the event (e.g., wild partying or sober cheering) fits with their image of the event's sponsor.

Another perception of event-sponsor fit may be related to whether the event allows a sponsor to market its products. Individuals know that some brands can sell their products at the event itself. In some cases, a certain brand may be an exclusive provider of products sold at the event. Also, individuals know that some companies sponsor an event because it gives them an opportunity to advertise, promote or publicize their brand.

Carlsberg beer sponsors golf because they are "always looking for something to sponsor that has a very good connection with beer drinking" (Loo 2003).

In a related area, brand extensions, research has suggested that extensions that fit better with the parent brand are generally more favorably evaluated. An event whose theme and image do not fit the sponsoring brand's image or one that does not make sense as a vehicle for the sponsor's marketing can call into question the credibility of the sponsor and thus undermine individuals' opinions of the sponsoring brand. On the other hand, an event that is perceived to fit well with its brand sponsor is likely to improve opinion of the brand. Therefore, it is hypothesized that:

H3: Perceptions of fit between a sponsored event and a brand sponsor will change attitude toward the brand sponsor.

At the same time, individuals' opinion of the sponsoring brand's product quality is unlikely to change because they know that the product itself has not changed. Therefore, we hypothesize that:

H4: Perceptions of fit between a sponsored event and a brand sponsor will not change in perceptions of the brand sponsor's quality.

METHOD

Stimuli Selection

To ensure that subjects' prior knowledge of a well-known brand did not confound results, Cathay Pacific Airways, a brand with high familiarity but a relatively low knowledge structure among the planned subjects, was selected. To examine the generalizability of the research findings, four different events were selected. Two of the events were locally popular, one that seemed to fit well with Cathay Pacific (Chinese New Year Parade) and one that did not fit as well (St. Patrick's Day). The other two events were fictitious, one that a priori seemed to fit well (International Travel Fair) and the other with a low level of fit (Festival of the Wind). Flyers were created for each of these events with the sponsor's name "Cathay Pacific Airways" just before the event name (indicating that it was the exclusive sponsor), followed by event details and the Cathay Pacific logo.

Survey

A survey instrument was generated to get subjects' reactions to Cathay Pacific and the events using Likert-type scales with opposite adjective anchors (e.g., very negative very positive). The questionnaire began with subjects' opinions of Cathay Pacific. Attitude toward Cathay was measured with two questions, "What is your opinion of Cathay Pacific Airways? (Very Negative Very Positive) and "How would you rate your feelings toward Cathay Pacific Airways? (Dislike Very Much Like Very Much). Perceived brand quality was measured with the question "What kind of quality do you associate with Cathay Pacific Airways? (Very Low Very High). These questions served as pre-sponsorship announcement measures of brand perceptions. Immediately after these questions, a flyer on one of the four events was inserted, followed on the next

page with questions about attitude toward the event. Next were questions about the fit of the event with the brand sponsor. The four questions were 1) “How does the (event) fit with your idea or image of the event's sponsor Cathay Pacific Airways? (Very Poor Fit Very Strong Fit), 2) Please rate the appropriateness of the (event) as an event through which Cathay Pacific Airways can enhance its brand image (Not at all Appropriate Highly Appropriate), 3) Please rate the appropriateness of the (event) as an event at which Cathay Pacific Airways products (airline tickets) can be used or sold (Not at all Appropriate Fit Highly Appropriate Fit), and 4) Please rate the appropriateness of the (event) as an event at which Cathay Pacific Airways can advertise or publicize its products (Not at all Appropriate Highly Appropriate). Lastly, questions about attitude toward the brand and brand quality were asked again to get a post-sponsorship announcement measure.

Data Collection

A student sample was considered appropriate given the theory-testing nature of the research. Each survey instrument, containing the aforementioned questions and a single event flyer were distributed in various undergraduate marketing classes at a large San Francisco Bay Area university. A total of 232 usable responses were received, with 67, 60, 60 and 44 responses for each of the four events respectively.

Analysis

The data collected were analyzed for each event separately to assess the generalizability of the findings across different events. The two brand attitude questions were averaged to obtain a single measure of brand attitude. Next, for each subject, the difference between the pre-announcement and post-announcement brand attitude and quality ratings was

calculated to obtain a “change” measure of sponsoring brand attitude and quality. As the event-sponsor fit is a relatively novel construct, reliability analysis of the four fit measures was conducted: Cronbach’s alpha for the four event-brand fit questions was .74, .87, .83 and .83 for the four events respectively. This suggests that the four questions reasonably measured the fit construct and therefore, these measures were averaged to obtain a perceived event-brand fit score.

First, in order to examine if knowledge of the sponsored event made any difference to brand perceptions, a paired sample t-test was performed to check if there were any differences between the pre- and post-announcement brand attitude and quality perceptions. Regression analysis with first change in attitude toward the brand (difference between pre- and post-announcement brand attitude) and second change in brand quality perception (difference between pre- and post-announcement brand quality) as a dependent variable and attitude toward the event and event-brand fit as independent variables was used to test the hypotheses.

CONCLUSIONS

Findings

The means for the different variables and the results of the regression analysis are displayed in Table 1. Event attitude and event fit ratings were highest for the Chinese New Year event, one of the most popular events in the San Francisco Bay Area, and one with a good fit with a Chinese airline. The International Travel Fair event also was rated high on fit. The mean pre-announcement and post-announcement brand attitudes and quality perceptions are remarkably similar and the paired sample t-tests found no changes

in these perceptions for three of the four events, implying that in general, knowledge of event sponsorship does not change attitudes or quality ratings of the brand sponsor. The one exception was the “Festival of the Wind” event: both brand attitude and quality ratings were down after the brand’s sponsorship of this event was known. The t-test revealed that the differences were statistically significant ($t=2.611$, $p<.05$ for brand attitude and $t=2.224$, $p<.05$ for brand quality). A possible reason for this anomaly is that the “Festival of the Wind” was a fictitious event with no prior familiarity for subjects and with a theme, purpose or image that was not easy to discern in one announcement. It is likely, therefore, that individuals questioned the brand’s credibility and purpose in sponsoring such an event and therefore, did not think highly of the brand. What is even more surprising is that brand quality perceptions fell even though no evidence of any change in the Cathay Pacific product was given to research subjects. Managerial implications of this anomalous result are discussed in a later section.

The regression analysis (Table 1) suggests that attitude toward the sponsored event influences brand attitude (Hypothesis 1) and brand quality (Hypothesis 2) for only two of the events. It turns out that these events were the only “real” events in the stimuli. One explanation could be that only attitude toward an event that people are familiar with influences their opinion about its sponsor. Yet, the fact that event attitude impacted brand attitude in the case of some events but not others suggests there is mixed evidence for Hypotheses 1. Event attitude was not expected to influence brand quality perceptions (Hypothesis 2) but did for two of the four events. Thus, evidence for Hypothesis 2 is mixed. The fact that event attitude does change brand attitude and quality ratings for “real

events” but not the “fictitious” events provides some evidence that sponsors may only benefit from popular events that are well-regarded but not from little known events.

Next, evidence for the impact of fit between the event and the sponsor on changes in brand perceptions is presented. Event-sponsor fit did not seem to change brand attitudes for three of the four events, thus not providing support for Hypothesis 3. The one exception was the International Travel Fair event. One explanation for this anomaly is that the International Travel Fair, while a fictitious event, seems like a plausible one and is also one that fits the brand in question, an international airline. The close fit seems to generate positive attitude toward the sponsor. Contrary to expectations, event-sponsor fit had an impact on product quality in the case of two of the four events suggesting mixed evidence for Hypothesis 4. The two events where fit had an effect were the “fictitious” ones. Thus it seems that event-sponsor fit may be important only when sponsoring little-known events.

Generally, it seems that when a brand sponsors a popular and well-known event, attitude toward the brand and even perceptions of quality improve. Also, with such events, the fit of the event with the sponsor does not materially affect sponsor brand perceptions.

Apparently, consumers assume that marketers are willing to sponsor popular events regardless of the event-brand fit. However, with events that are not familiar to them, consumers do take into account the fit between the event and the sponsor to evaluate a sponsor.

Study Limitations and Suggestions for Future Research

The study used one brand and four local events. Further research with multiple brands and different types of events would help clarify some of the equivocal findings of this research and serve to generalize the findings.

Another reason for the unclear findings may be that individuals conceive of fit in many more ways than were operationalized in this research. The many dimensions of fit might include, for example, fit of the brand's customers with the event's customers. Further research is needed to examine if there are different dimensions of event-sponsor fit and whether these different dimensions have a different effect on sponsor perceptions.

Another limitation may arise with the controlled environment of this study. Unlike in this study, events typically have multiple sponsors. Also, subjects in this study were exposed to one advertising flyer for an event; in the real world, consumers typically see multiple ads for an event before deciding whether to attend it. More importantly, this study does not consider consumers' actual experience at the event and how that would affect sponsor perceptions. A study based on actual event attendance or experience may cast more light on this issue.

Managerial Implications

While exposure to one flyer about an event may not be sufficient in some situations to change people's opinions about a brand, it may at times, be the only connection between a brand and an event and may influence opinion of the brand sponsor. While the study's results are not definitive, one implication is that managers should consider sponsoring events that are popular and well-reputed – such an association seems to benefit sponsors. Fit between the event and the sponsor does not seem to be a consideration if the event is popular. However, when sponsoring a relatively little known event, marketers should

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consider how the theme and image of the event fits their brand. If the event is unknown and does not match the desired brand associations, managers should probably not sponsor the event because not only is it likely to negatively affect people's opinions of the brand but also their perceptions of the brand's quality.

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Table 1

Means and Regression Results

	<u>Chinese New Year</u>	<u>St. Patrick's Day</u>	<u>Festival of the Wind</u>	<u>Travel Fair</u>
MEANS				
Attitude toward brand (post)	4.42	4.13	4.02	4.08
Attitude toward brand (pre)	4.33	4.09	4.37	4.21
Product quality (post)	4.48	4.23	4.10	4.06
Product quality (pre)	4.52	4.22	4.44	4.23
Attitude toward event	5.25	3.98	3.71	4.15
Fit between brand and event	4.89	3.66	3.60	4.59

REGRESSION RESULTS

Independent Variable: Change in attitude toward brand

Dependent Variables

Attitude toward event	B = .25 p = .05	B = .47 p < .05	B = .10 p > .05	B = .09 p > .05
Fit between brand and event	B = .17 p > .05	B = .16 p > .05	B = .27 p > .05	B = .54 p < .05

Independent Variable: Change in product quality

Dependent Variables

Attitude toward event	B = .31 p < .05	B = .34 p = .05	B = .14 p > .05	B = .00 p < .05
Fit between brand and event	B = .11 p > .05	B = -.05 p > .05	B = .40 p < .05	B = .46 p < .05

B = standardized beta coefficient; p = p-value