

Sponsorship Effectiveness for New and Established Brands – the Role of Consumer Knowledge.

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Abstract

Despite exponential growth in sports sponsorship expenditure, academic understanding of sponsorship remains partial.

This study investigates the effectiveness of sports sponsorship using the theoretical framework of consumer-based brand equity.

A comparison is made between the effectiveness of sponsorship for an established and a new brand, comparing brand equity scores for the two brands between those exposed and those not exposed to sponsorship.

This study extends the theoretical understanding of sports sponsorship and offers practical advice for pursuing sponsorship-led marketing strategies.

Theoretical Background

Many studies have investigated objectives pursued by sponsors, with awareness and image benefits being among the most commonly cited. Thus, it is clear that sponsorship is used to achieve brand-building objectives. According to Keller, “customer-based brand equity occurs when the consumer is familiar with the brand and holds some favorable, strong, and unique brand associations in memory.” [1]. A broader conceptualisation of brand equity is provided by Aaker [2], who suggests that consumer-based brand equity comprises brand awareness, brand associations, perceived quality, brand loyalty and other proprietary brand assets.

Methodology

In order to measure the effectiveness of sponsorship at building consumer-based brand equity, a cross-sectional survey design was employed, comprising samples of respondents exposed to sponsorship at two UK sporting events and comparison samples not present at the events. Event 1 comprised two international athletics meetings, sponsored by a well-established financial services organisation (sponsor 1 = established brand). Event 2 was an international bowls tournament, sponsored by a newly launched financial services provider (sponsor 2 = new brand).

This study measures consumer-based brand equity as comprising brand awareness, brand associations, perceived quality and brand loyalty, based on Aaker’s Brand Equity Measurement Tool [5]. Due to length of time they have been in the marketplace, the underlying brand knowledge of the two sponsors is different,

allowing for a comparison of the effectiveness of sponsorship under conditions of high (sponsor 1) and low (sponsor 2) brand knowledge.

Individual elements of brand associations, perceived quality and brand loyalty were measured on Likert scales from “totally disagree” to “totally agree”.

Respondents’ scores on individual elements were summed to produce overall scores for each brand equity component.

These scores were then compared between those exposed and those not exposed to sponsorship, using t-tests and chi-squared tests. Data was collected at the sponsored events by means of a self-administered questionnaire (sponsor 1 n = 206, sponsor 2 n = 115), while a postal questionnaire was employed among the comparison sample (sponsor 1 n = 141, sponsor 2 n = 280).

Results

Brand awareness for sponsor 1 was higher among those exposed to the sponsorship (99%) than among the comparison sample (98%), however this difference was not significant ($\chi^2(1) = 0.222, p = 0.637$).

Table 1: Mean Brand Equity Scores (Sponsor 1)

	Brand Associations	Perceived Quality	Brand Loyalty
Event sample	5.7474	7.3089	4.8469
Comparison sample	4.00	6.2574	3.3456
	t = 4.004, p = 0.000	t = 2.421, p = 0.016	t = 2.996, p = 0.003

Table 1 presents the mean scores for sponsor 1 on brand associations, perceived quality and brand loyalty for both sample groups.

The scores for the sample group exposed to sponsorship were significantly higher on all dimensions than those for the comparison group, demonstrating that sponsorship is having a positive impact on consumer-based brand equity.

Brand awareness for sponsor 2 was significantly higher among those at the bowls event (51%) than in the comparison sample (5%) ($\chi^2(1) = 116.016, p = 0.000$). However, no significant difference was found between the groups on brand associations, perceived quality or brand loyalty (Table 2).

Table 2: Mean Brand Equity Scores (Sponsor 2)

	Brand Associations	Perceived Quality	Brand Loyalty
Event sample	1.3301	1.4545	0.8365
Comparison sample	1.2143	0.50	-0.3333
	t = 0.127, p = 0.899	t = 1.019, p = 0.310	t = 1.584, p = 0.116

Therefore, for the newly launched brand, the impact of sponsorship was limited to building brand awareness.

Discussion

These results can be interpreted in line with Keller's [1] contention of consumer-based brand equity being dependent on not only the creation of strong, favourable and unique brand associations but also a degree of brand knowledge.

As an established brand, sponsor 1 already had a high level of familiarity among consumers, allowing the formation of brand associations through image transfer from the sponsored property.

In contrast, sponsor 2 was newly launched and thus consumers did not have sufficient knowledge of the brand in order to develop additional associations via the sponsorship. Therefore, this study has demonstrated that a degree of prior brand knowledge is a necessary prerequisite for image transfer through sponsorship.

As such, the use of sponsorship within a wider programme of marketing communications, whereby tangible product information can be communicated through vehicles such as advertising, is viewed as the optimum strategy, particularly for new brands.

References

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