

ADVERSE IMAGE TRANSFER IN SPORT SPONSORSHIP – HOW SPONSORS SHOULD RESPOND TO A SPONSORSHIP CRISIS

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Aim of abstract

Sponsors of sports events and sports organizations are often faced with the announcement of negative information related to the sponsored entity. Examples of such negative sponsorship information include media reports about corruption in organizations such as the FIFA or the IOC and the doping scandal in the Tour de France. However, little is known how negative sponsorship information affect consumer perceptions of the sponsoring brand and how sponsors should respond to a situation of crisis because previous research has primarily examined positive image transfer in sponsorship (e.g., Simmons & Becker-Olsen, 2006). This research addresses this gap by examining (a) the brand effects (consumers' attitude toward the sponsor) of negative sponsorship information, (b) the effectiveness of different response strategies that sponsors can use to mitigate potentially negative brand effects and (c) how the effects of these response strategies can be explained.

Theoretical background

Associative Network Theory (Anderson, 1983) and Situational Crisis Communication Theory (SCCT; Coombs, 2007) provide the theoretical basis for this study. Based on Associative Network Theory, we hypothesize that negative (vs. positive) sponsorship information (henceforth referred to as sponsorship crisis) have a negative effect on consumers' attitude toward the sponsor brand (H1). A key notion of SCCT is that a brand's response to a crisis that is related to its activities is an important determinant of how the crisis affects consumers' perceptions of the brand. In addition, the effectiveness of a particular response to a crisis (e.g. an apology or a denial) is depended on the brand's perceived responsibility for the crisis. Thus, we hypothesize that the sponsor's response strategy (apology, denial, no response) can mitigate the negative effect of a sponsorship crisis on brand attitude (H2) and the sponsor's perceived responsibility for the crisis moderates the impact of response strategy (H3). Based on previous findings (Wooten, 2009), it is also hypothesized that the perceived appropriateness of the response mediates the effects of response strategy (H4).

Methodology, research design and data analysis

The hypotheses were tested in a scenario based experimental study. A total of 229 undergraduate students (53% males) were randomly assigned to a 3 (sponsor response: apology vs. denial vs. no response) x 2

(sponsor's perceived responsibility: responsible vs. not responsible) between-subject design. To test H1, the design also included a "no crisis" condition. The Olympic sponsorship of the brand General Electric (GE) served as the context of the study. Seven versions of a press release about GE's Olympic sponsorship were used as experimental stimuli. The press releases varied regarding valence of sponsorship information (crisis: drug abuse and corruption; no crisis: positive information about the Olympic Games), sponsor response (apology, denial, no response) and sponsor responsibility (GE is involved in drug abuse and corruption vs. GE is not involved). Manipulation checks confirmed a successful manipulation of the experimental factors. The key dependent variable brand attitude and the mediator perceived appropriateness were measure with established multi-item scales.

Results, discussion and implications

In support of H1, ANOVA results revealed a negative effect of sponsorship crisis (vs. no crisis) ($F(1, 227) = 14.60, p < .001$). A two-factorial ANOVA further showed significant main effects of sponsor response ($F(2, 193) = 14.45, p < .001$) and sponsor responsibility ($F(1, 193) = 22.99, p < .001$) on brand attitude and a significant interaction of the two factors ($F(2, 193) = 3.93, p < .05$). Post hoc tests show that an apology (vs. denial and no response) helps to overcome the negative effects of sponsorship crisis when the sponsor is responsible. However, both an apology and a denial (vs. no response) nullify the negative effects when the sponsor is not perceived as responsible for the crisis, providing support for H2 and H3. In support of H4, a mediation analysis revealed that perceived appropriateness of the sponsor response is the underlying mechanism that explains the effects of sponsor response on brand attitude.

Our findings contribute to the literature by showing that (a) a sponsorship crisis can cause negative image transfer in sport sponsorship, (b) a sponsor's response to a crisis can help to maintain or reestablish its brand image and how these effects can be explained from a theoretical perspective and (c) sponsors should take into account their responsibility for the crisis when designing response strategies. From a practical perspective, this research provides guidelines for sponsorship managers as to which response strategies are most effective to prevent negative effects for the sponsor brand in situations of sponsorship crisis

References

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