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Sponsoring the Olympic Games in Beijing: A longitudinal analysis of sponsor advertising strategies

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Research questions / aim of the paper

This research aims to describe and explain Olympic sponsor advertising behavior and sponsorship in an emerging market context. It provides insights into the strategic ambitions related with sponsorship which are dependent on the level of internationalization of the sponsoring firm. The longitudinal approach of the paper allows us to explore the dynamics of the Chinese industry and strategies of foreign firms in China while at the same time addressing the risks involved with sponsorship.

Background

Evaluation of sponsorship must determine its effectiveness in achieving sponsors' objectives and its relative effectiveness (O'Reilly et al., 2007). The fact that sponsors rarely pursue a single sponsoring objective implies difficulties when determining its value. In our approach, sponsoring is supposed to be closely related to multiple means and is linked to the event. Both aspects are incorporated in a six factors' "means-objectives model" as follows for analysis:

Three means factors:

(1) *Co-branding*: A symmetrical brand alliance between two or more established brands for mutual benefit. The sponsor's name is associated with the Beijing Olympics. Co-branding is considered to be another way of gaining benefits from intangible assets and a brand leverage strategy (James, 2006). (2) *Revenue factor*: Cornwell and Coote (2005) argue that associations create value for the company by helping the consumer to understand information and to differentiate the brand, which subsequently gives the consumer reasons to buy, and thus creates revenues. (3) *New customers*: Sponsorship can heighten the firm's brand and create awareness of your business and products in the minds of a new set of customers (O'Guinn & Muniz, 2001).

Three objective factors:

(4) *Product image*: Firms prefer to use their existing brand when introducing new products. (5) *Corporation image*: Branding has increasingly been applied to promote corporations (Chao *et al.*, 2003). (6) *Region image*: Branding has also been applied to regions (Rowe & McGuirk, 1999).

Methodology and Data Analysis

The longitudinal analysis is based on 739 advertisements, articles and press releases collected in 2006, 2007 and 2008 from Chinese newspapers and Chinese official web pages about sponsoring companies and their activities. The clippings were chosen to a large extent from the same newspapers and magazines covering the period 2001 to 2008. The matching of excerpts with questions is made by applying a qualitative content analysis following Creswell (2003) suggestion by analysing indications as codes. Here, all 739 excerpts were carefully examined and codified based on a set of questions attached to the six factors in our proposed model.

The investigated number of officially announced sponsors numbered 36 in 2006, grew to 65 in 2007 and decreased to 63 in 2008.

Results, Discussion and Implications

Our analysis discovered seven dominant means-objectives combinations in sponsorship leading to different pattern of sponsor advertising strategies depending on the lead-time to the Olympic Games and the level of internationalization of the sponsoring firm. First, all sponsors mainly focused on co-branding marketing efforts. In the second stage, global Olympic sponsors linked co-branding with corporation image, while Chinese brands focused on product/corporation image and new customers. In the third stage, global Olympic sponsors focused more on local markets and customers in advertising. Chinese brands tended to keep an activation strategy based on revenue and product. Only a few local sponsors placed emphasis on leveraging their sponsorship investment towards creating an international image. We conclude from our longitudinal data that the time gap between signing the contract and the dates of the event influence the strategy of the sponsoring corporations. The advertising content changes over time and the sponsors crafted different advertising strategies in different periods. Only 26 (2006), 45 (2007), and 25 (2008) of the sponsors did appear in the collected clippings. This is surprising if we take previous research into account suggesting that Chinese advertising professionals were generally favorable towards advertising as an efficient business tool.

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