

EFFECTIVENESS OF OLYMPIC SPONSORSHIP BY FOREIGN AND DOMESTIC COMPANIES

Author:
Yue Meng

email:
ymeng@bournemouth.ac.uk

Co-authors:
Thwaites, Des.

University:
Bournemouth University

Faculty:
Media School

Abstract

As an important tool in the marketing communications mix, sponsorship is widely used to create an emotional bond with consumers, improve brand awareness, corporate/brand image and build blocks of potential competitive advantage (Roy & Cornwell, 2004; Fahy, et al., 2004). Little research to date has addressed consumers' responses toward sponsorship from attitudinal and emotional perspectives, nor have comparisons been made between sponsorship initiated by domestic and foreign companies.

Sport is tightly linked to the construction of people's nationalism and sports events such as the Olympic Games are frequently used as a vehicle for building national identity, promoting the nation-state and delivering cultural impacts to other regions. It is apparent that the Beijing Olympic Games (2008) engaged the nation and represented a source of national pride for the Chinese people. However, to what extent the event could boost sponsorship effectiveness in the consumer's mind still remains unclear.

In the light of social identity, self-categorization and intergroup emotions theories, the present study explored whether consumers perceive sponsorship initiatives by foreign and domestic companies differently and identified the factors contributing to such differences.

Based on an extensive literature review, a number of hypotheses were proposed drawing both direct and indirect relationships between consumer ethnocentrism, event involvement, consumer animosity, attitudes towards the foreign and domestic sponsors, and product judgements.

12 Beijing Olympic TOP (the Olympic Partners) sponsors from 7 countries were used in the analysis viz China, Japan, the U.S., South Korea, France, Canada, and Switzerland. The 10-item version of CETSCALE developed

by Shimp and Sharma (1987) was adapted to measure consumer ethnocentrism. Event involvement was measured by Zaichkowsky's 10-item 7-point Product Involvement Inventory (PII, 1994). Consumer animosity was assessed by a 6-item 7-point Likert scale modified from Klein et al.'s (1998) study. Speed and Thompson's (2000) 4-item 7-point semantic differential scale was used to assess attitudes toward the sponsor. The 6-item 7-point product judgement measure was modified from Klein et al.'s (1998) study.

Self-administered questionnaires were distributed in China prior to the Olympic Games. 1,272 valid questionnaires were received (811 for the foreign country group and 461 for the domestic country group). Both genders were approximately equal and 57% of the respondents were from 16 to 25 years old. Over 80% were educated to college or above.

Exploratory factor analysis was employed for the measure development. Reliability of the measures was assessed by Cronbach's alpha coefficients computed in SPSS and validity of the measures was evaluated by confirmatory factor analysis using AMOS. The bias-corrected bootstrap method was performed to test the significance of the mediation effects. It was found that consumer ethnocentrism had a direct negative impact on attitudes toward the foreign sponsor and foreign product judgements and a direct positive impact on domestic product judgements. Consumer ethnocentrism also had an indirect impact on attitudes toward the foreign sponsor via event involvement and consumer animosity. Event involvement mediated the positive relationship between consumer ethnocentrism and attitudes toward the domestic sponsor. Attitude toward the foreign sponsor was a significant mediator on the relationship between consumer ethnocentrism and judgements of the foreign sponsors' products.

This study contributes to the sponsorship literature by validating the measurement scales in the Chinese context, and providing the linear and mediation relationships between emotions, attitudes and behaviours. A number of suggestions to both the Chinese and international companies were provided.

References:

Fahy, J., Farrelly, F., & Quester, P.(2004). Competitive advantage through sponsorship. *European Journal of Marketing*, 38(8), 1013-30.

Klein, J. G., Ettenson, R. & Morris, M.D. (1998). The Animosity Model of Foreign Product Purchase: An Empirical Test in the People's Republic of China. *Journal of Marketing*, 62(January), 89-100.

Roy, D. P., & Cornwell, T. B. (2004). The effects of consumer knowledge on responses to event sponsorships. *Psychology & Marketing*, 21(3), 185-207.

Shimp, T. A., & Sharma, S. (1987). Consumer ethnocentrism: Construction and validation of the CETSCALE. *Journal of Marketing Research*, 24(3), 280-289.

Zaichkowsky, J. L. (1994). The personal involvement inventory: reduction, revision, and application to advertising. *Journal of Advertising*, 23(4), 59-70.