

Effects of Sponsorship Duration on Fans and Rivals Purchase Decision Process

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Aim

The aim of this study was to explore how the duration of sponsorship may affect fans' and rivals' purchase decision process in a basketball sponsorship setting.

Theoretical Background and Literature Review

Recent sport sponsorship research has focused mostly on shedding light on the process through which sponsorship agreements and investments lead to tangible goals relating to brand equity and sales augmentation (Donlan, 2014; Zaharia, Biscaia, Gray, & Stotlar, 2016). Sales augmentation is a factor rather unexplored and there are strong calls in the literature for measuring the extent to which sponsorship can influence consumers to purchase sponsors' products (Zaharia et al., 2016). In addition, most of researchers have assessed fans responses for the sponsor, while ignoring rivals aversion that may be transferred to their brand. The factor of rivalry in sponsorship research is still in early stages of examination (Grohs, Reisinger, & Woisetschläger, 2015). Finally, although there is some concern about the impact of sponsorship duration on this process, supporting that the longer the duration, the stronger the brand associations in consumers' minds (Jobar & Pbam, 1999), research which empirically explores how consumers respond in different periods of the sponsorship duration is still missing, especially in regards to brand-related benefits and purchase behavior.

Research Design and Data Analysis

The sponsorship of a multinational technology company (Microsoft) to a Greek basketball team (Panathinaikos BC) was selected for examination. Data concerning X-BOX, the brand promoted through the deal, were collected from fans and rivals of the sponsored team during two chronologically separate phases. A self-administered survey was distributed in various public places including the teams' facilities, with measures for four brand related variables (fit, awareness, perceived quality, engagement) which were borrowed from the literature (i.e., Yoo & Donthu, 2001) and one measure on purchase behavior, which was measured by asking respondents how many times (0, 1-2, more than 2) they had purchased the sponsor's product after the sponsorship deal announcement. The total sample consisted of 982 respondents (222 and 264 fans in the first and the second phase respectively, 273 and 223 rivals in the first and the second phase respectively). Structural Equation Modeling (SEM) was run with the procedure of bootstrapping to test the research hypotheses using the statistical program AMOS.

Results and Discussion

Two separate analyses were run to test the conceptual model. The first included data from fans of the first and the second phase, while the second from rivals of each phase. The analyses explored the significance of the differences between the path coefficients. The goodness of fit was indicated for both the measurement (fans model: $\chi^2=623.925$, $df=273$, $\chi^2/df=2.285$, $p=.00$, $CFI=.97$, $IFI=.97$, $RMSEA=.04$) (rivals model: $\chi^2=732.406$, $df=279$, $\chi^2/df=2.625$, $p=.00$, $CFI=.96$, $IFI=.96$, $RMSEA=.04$) and the structural models (fans model: $\chi^2=879.622$, $df=315$, $\chi^2/df=2.792$, $p=.00$, $CFI=.95$, $IFI=.95$, $RMSEA=.04$) (rivals model: $\chi^2=1003.946$, $df=321$, $\chi^2/df=3.128$, $p=.00$, $CFI=.94$, $IFI=.94$, $RMSEA=.05$). The model

explained a significant proportion of variance of fans' purchase behavior in both the first ($R^2=7.9\%$) and the second phase ($R^2=8.1\%$). Regarding rivals, an interesting finding was that the variance of purchase behavior was explained by the model to a considerable extent only after a longer sponsorship duration ($R^2=1.1\%$ first and $R^2=8.3\%$ second phase). The results related to the fans indicated only one significant difference between the two different periods ($z=-1.988$, $p<.05$), and this was in regards to the effect of fit on fans brand engagement. The effect was significant only in the early stages of the sponsorship ($p<.01$). This finding is in contrast with the previous research which supports stronger brand related effects coming from sponsorship longer duration (Jobar & Pbam, 1999). Conversely, concerning rivals three significant differences were emerged, two of which stronger after a longer sponsorship duration. The first difference was found in the effect of perceived quality on brand engagement ($z=2.294$, $p<.05$), while the second in the relationship of brand awareness and purchase behavior ($z=2.761$, $p<.01$). The third difference was indicated in the effect of fit on rivals brand engagement ($z=1.759^*$, $p<.1$). However, this effect was not significant neither in the first, nor in the second phase. Overall, less strong relationships were identified for rivals compared to fans' purchase decision process, a finding in line with previous research (Dalakas & Levin, 2005; Grohs et al., 2015).

Conclusion and Implications

Overall, with only one exception the results indicated that the duration of the sponsorship did not impacted on fans' purchase decision process. The duration had only a negative impact on the effect of fit on fans' engagement with the sponsor's brand. In contrast rivals' decision to engage with the rival sponsors' brand and purchase his products was stronger after a longer sponsorship duration. From a practical point of view the findings propose a process for sponsors to deal with rivals' possible aversion which is based on the duration of the sponsorship investment.

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