Sponsorship: An Evaluation of Management Assumptions and Practices

Janet Hoek

The rapid growth of sponsorship has not been paralleled by increased sophistication in management practices. This commentary argues that managers' reliance on cognitive behavioural frameworks complicates sponsorship evaluation and leads managers to set unclear objectives. An alternative framework, which proposes a more explicit behavioural orientation, is proposed and evaluated. Contractual issues which have arguably inhibited full exploitation of sponsorship arrangements are also discussed, and means of overcoming these are evaluated. The commentary concludes that a more behavioural approach is required if sponsorship is to avoid being more than a philanthropic gesture.

Keywords: sponsorship, cognitive frameworks, behavioural frameworks

Introduction

Although sponsorship now accounts for a sizeable proportion of some companies' promotion budgets, aspects of its management remain undeveloped, and surprisingly few companies rigorously evaluate the effectiveness of their sponsorship investments (Marshall & Cook 1992; Farelley, Quester & Burton 1997). Despite this, the popularity of sponsorship continues to increase and major events, such as the Football and Rugby World Cups, the Olympic and Commonwealth Games, generate considerable revenue through the sponsorship packages sold. For example, Meenaghan (1998) notes that worldwide sponsorship has grown from £2.0 million in 1984 to £16.6 billion in 1996. He predicts that this growth in sponsorship expenditure will continue as new technology makes sponsorship more visible and accessible. Meenaghan also argues sponsorship's ability to reach consumers at leisure is unlikely to be challenged by traditional mainstream advertising, and he forecasts that this feature alone will lead to strong growth in sponsorship expenditure (see also Parker 1991).

This continued and predicted growth in sponsorship expenditure comes, paradoxically, as managers attempt to quantify the returns generated by other elements of their promotion mix. Given that the budgets allocated to sponsorship now often exceed those spent on brand advertising, it seems likely that managers will require a more rigorous evaluation of sponsorship investments. At present, however, sponsorship evaluation remains a poorly defined art, and attempts to assess the effectiveness of promotions are typically ad hoc (Abratt & Grobler 1989; Farelley *et al* 1997). With the Sydney Olympics only two years away, it is timely to re-consider the opportunities presented by sponsorship and the ways in which sponsorship management might be improved.

How does sponsorship work?

Sponsorship practice has evolved rapidly, largely in response to the wide range of opportunities now available. However, this growth has been ad hoc and it has neither been structured by, nor resulted in, a clear understanding of how sponsorship works. This section examines some of the assumptions which underlie a great deal of management practice and the evidence on which these are based.

Marketing communication literature is dominated by cognitive information processing models which posit consumers as rational decision-makers who seek and evaluate information before making choices. East (1997) quotes Foxall's (1992) description of this approach: *"The 'cognitive consumer' is credited with the capacity to receive and handle considerable quantities of information, to engage actively in the comparative evaluation of alternative products and brands, and to select rationally among them"* (p. 8). According to these theories, managers should use promotion tools to increase awareness of their brand amongst consumers and to provide information which persuades consumers to purchase it. These ideas have formed the basis of models such as the Engel Blackwell & Miniard model and the Howard-Sheth model which, in turn, have informed advertising models such as the Awareness-Interest-Desire-Action (AIDA) model. These advertising models also rely implicitly on the notion that consumers move through a series of psychological processes which culminate in behaviour (see East 1997 for a discussion of these models and their influence on advertising theory).

Although AIDA has been used extensively in the context of advertising theory, recent researchers ah applied it to sponsorship management. Thus Lee, Sandler & Shani's (1997) modification of the AIDA model posits attitude towards the event, towards the promotion of the event, and towards behavioural intention as being at the core of sponsorship's effects on consumers.

Overall, cognitive information -processing models and their manifestation in theories of advertising are consistent with the heavy emphasis placed on awareness and attitudes, and with the belief that these variables foster behaviour. Whether or not this has been explicitly acknowledged by managers, many appear to have relied on cognitive models when setting sponsorship objectives, and it is timely to re-consider whether this approach helps achieve the behavioural goals that are arguably the focus of all marketing activity.

Despite the widespread acceptance of cognitive models, trenchant criticism of them has emerged. Ehrenberg (1988) criticised cognitive consumer behaviour models because they comprise variables that are difficult to measure and because the relationship between these variables has not been empirically determined. He also questioned the sequential models proposed in advertising as he argued these did not capture the highly repetitive nature of purchase behaviour (Ehrenberg 1974). As an alternative to the AIDA model, he proposed the Awareness-Trial-Reinforcement (ATR) model, which uses the behaviourist principles of respondent and operant conditioning and which proposes a pathway that specifically considers the role of repeat purchase (see also Jones 1990).

Ehrenberg suggests that advertising's chief function is to reinforce behaviour consumers have already performed, in order to maximise the probability of repeat purchase (see also Barnard & Ehrenberg 1997). Ehrenberg also criticises the causal sequence depicted in the AIDA model, and those like it, and suggests that advertising was more likely to reassure existing users than it was to persuade or convert new users. These comments are closely aligned with the behavioural notion of operant conditioning which suggests that the consequences following behaviour can modify the rate at which that behaviour is emitted. Viewed in this context, advertising and sponsorship are one of a range of reinforcers designed to reassure purchasers and increase the probability of repeat-purchase behaviour.

The challenges Ehrenberg presents to conventional advertising theory thus also apply to sponsorship and they raise serious questions about the objectives often set for promotion campaigns generally. Hoek, Gendall, Jeffcoat & Orsman (1997) examined sponsorship in the context of the ATR model to assess the extent to which this theory explained consumers' responses to sponsorship. According to Ehrenberg (1974) consumers *tend to perceive advertising for the brands* [they] *are already buying* (p. 32), thus Hoek *et al* hypothesised that the stimulus material would have little or no effect on either the evaluative beliefs or the purchase probabilities of users or non-users.

They used a pre-post methodology in which respondents viewed either advertising or sponsorship stimulus material which had been used in conjunction with Snickers' sponsorship of the 1994 Football World Cup. The data supported this hypothesis and Hoek *et al* concluded that neither the sponsorship nor the advertising stimuli showed any evidence of having persuaded respondents to purchase Snickers. Instead, they suggested that the behaviourist based ATR model accommodated their findings more easily than did the more cognitively oriented AIDA model. In addition, the results were consistent with the wider context of work into descriptive and evaluative attributes which suggests that the belief attributes consumers have about brands typically result from their use of those brands (see Bird & Ehrenberg 1970; Barwise & Ehrenberg 1985). Hoek *et al*'s findings also imply that, although sponsorship can reinforce beliefs already held by consumers, it is unlikely to instill new beliefs and it is even less likely to induce entirely new behaviour patterns.

Crimmins & Horn (1996) used the AIDA model to argue that sponsorship fulfills a persuasive role, analogous to that played by advertising. However, their claim that: "*sponsorship improves the perception of a brand by flanking our beliefs about the brand and linking the brand to an event or organisation that the target audience already values highly*" (p. 12) uses the behaviourist theory of respondent conditioning, not the cognitive theory of persuasion, to establish how sponsorship works (see also Hansen & Scotwin 1995, p176). Similarly, Javalgi *et al* (1994) noted the presence of operant conditioning (or reinforcement) when they noted that sponsorship may enhance corporate image *"if the company has a good image before the sponsorship*" (p57).

Overall, while sponsorship clearly creates awareness, there is, as yet, no evidence that awareness, and the subsequent development of descriptive belief attributes, will prompt trial. (Indeed, the ARF study into advertising effectiveness found that recall and recognition were poor predictors of an advertisement's sales effectiveness (Haley & Baldinger 1993)). The evidence to date suggests that sponsorship may create descriptive beliefs, through the pairing implicit in respondent conditioning. That is, frequent exposure of a particular sponsorship image, or repeated linking of an attribute with a brand, may lead respondents to associate those characteristics with the brand, but is unlikely to turn non-users into users of that brand.

More generally, sponsorship works in a similar way to advertising, as a form of operant conditioning that serves to maintain behaviour patterns. Thus McDonald (1991) argued: "*As more people have the sponsorship brought to their notice by publicity, they are **reminded** of something they already approve of; it is brought to the front of their mind. It does not follow that anybody's mind has been **changed** about the company because of the sponsorship*" (p33).

The corollary of this reasoning is that sponsorship, like brand advertising, is likely to act in a defensive manner, maintaining the status quo rather than producing increases in sales. To turn to the question which headed this section, we know that sponsorship, like advertising, can affect a range of cognitive intermediary variables. However, the fact that these variables are now the focus of sponsorship efforts makes them no more likely to change or modify consumers' behaviour than when they were the focus of advertising activity. Instead, it seems theoretically and practically more logical to view sponsorship within a behaviourist context: sponsorship seems likely to reinforce behaviour, but it may also cue particular behaviours through the use of respondent conditioning. The explicit emphasis placed on behaviour by the ATR model and the empirical support for this model suggests the notion of reinforcement could also play an important role in sponsorship management. Indeed, the strength of the evidence supporting the ATR model suggests that, until sponsorship goals are oriented more specifically toward behavioural outcomes, its effectiveness as a promotion tool is likely to remain sub-optimal. The following sections explore how this shift might occur.

A behavioural orientation

Researchers have already noted that, in addition to any image and awareness goals they may have outlined, managers also set behavioural goals, for example sales, as sponsorship objectives (see Gardner & Shuman 1987; Scott & Suchard 1992; Hoek, Gendall & Sanders 1993; Hansen & Scotwin 1995). Although Thwaites (1995) reported that sales objectives were not a high priority among the managers he surveyed, he noted that: "*It is clear from the high rankings given to both potential and existing customers that the attraction and retention of business is an underlying motive*" (p156).

To clarify how sponsorship can be managed and evaluated more rigorously, it is necessary to consider the objectives set; campaigns are unlikely to achieve behavioural outcomes if these goals are not explicitly stated at the outset. The need to articulate precise objectives has been well-documented elsewhere, but it lies also at the heart of effective sponsorship management (see Meenaghan 1998). Sponsorship objectives should focus on specific outcomes which could include: prompting trial; increasing repeat purchase; encouraging donations; generating enquiries, or reinforcing current behavioural patterns in the face of competitive activity. A vague desire to improve a company's standing, or to re-position a brand, is not sufficiently robust to constitute either a rigorous screening criterion or an effectiveness measure. Only after clear behavioural objectives have been identified and quantified, will managers be able to evaluate the effects of a sponsorship campaign.

Yet despite a growing recognition that behavioural goals may be more important than hitherto recognised, researchers have devoted more energy to explaining why sponsorship in general, and behaviour in particular, is difficult to measure. For example, Thwaites *et al* (1998) noted that the simultaneous use of marketing communications tools and carry-over effects from previous activities all complicated assessment of the precise contribution made to a campaign by sponsorship (see also Wilson 1998). However, given that sponsorship is now widely recognised as an economic-based transaction rather than a philanthropic gesture (Meenaghan 1998), consideration of how these obstacles might be overcome is well overdue.

Clarification of how sponsorship works will enable managers to determine whether the behavioural goals they set require the stimulation of behaviour (respondent conditioning) or the reinforcement of behaviour (operant conditioning). If managers wish to employ respondent conditioning, they must articulate a clear call to action and put in place appropriate response mechanisms, such as 0-800 lines, to respond to enquiries of accept donations. However, if operant conditioning is employed, managers should expect only maintenance of the status quo, in line with the primarily defensive role accorded to advertising by the ATR model. Aggregate market data would enable an overall assessment of market share, although the contribution made by sponsorship would be difficult to isolate.

It is clear that logical and practical difficulties inhibit sponsorship evaluation. These problems inevitably raise the question of whether sponsorship can be evaluated (and may explain why so few managers appear to undertake any formal research). Yet rather than dismissing this key management question as too difficult to answer, it seems logical to re-consider whether sponsorship can be managed in such a way that behavioural measures are made more accessible. The following section examines some specific practices available to managers which would facilitate sponsorship evaluation.

Behavioural measures

Given that managers have used knowledge of other promotion disciplines to inform the sponsorship objectives they set, it is logical to examine whether these disciplines might provide further insights into sponsorship implementation. To assist this judgment, it is useful to begin by examining those tools which are clear examples of respondent or operant conditioning.

Marketers have been quick to adopt direct marketing as an effective and highly cost-efficient communications medium. Aside from the cost advantages proponents argue it offers over mass-media advertising, direct marketing has increased in popularity because it is directly measurable (Burnett & Moriarty 1998). Marketers know exactly how many contacts were made, the stimulus material provided to each contact, and the response elicited. Just as advertising which incorporates direct response measures is made easier to evaluate, so sponsorship which contains explicit calls to action will also be more easily evaluated.

While direct marketing campaigns contain explicit calls to action, cause related marketing links the behaviour to a specific sponsorship reinforcer (Burnett & Moriarty 1998). Sponsors tie purchase of a particular product or service to donation to a clearly identified cause. This enables tighter control over the level of funding provided (funding is often capped at a certain level) and the behaviour must precede the donation, a clear advantage over programmes where an initial investment is provided in the hope that behaviour will follow. For potential Olympic sponsors, particularly those who already maintain client databases, arrangements such as this would enable them to track the source of behaviour (new or existing customers), the incidence of any complementary behaviour, and the conversion level once the sponsorship inducement concludes.

For some time, advertising industry statistics have documented a movement away from traditional mass media advertising towards sales promotion activities (see Meenaghan 1998). Many commentators have explained this change in emphasis by noting that sales promotions offer more straightforward evaluation opportunities. For example, sales responses to price discounting promotions are immediately tangible, competition entries can be quantified, as can the number of coupons redeemed. Sales promotions also offer accountability. There seems to be no reason why below-the-line techniques which incorporate clear behavioural measures cannot be integrated into sponsorship campaigns and used to provide direct behavioural evaluations.

One such method would link the sponsorship directly to some form of sales activity. For example, Cadbury used special packaging on Moro bars to promote their Olympic sponsorship. Collection of a pre-specified number of packages has become a pre-requisite for entry into competitions, and entrants have been effectively conditioned to expect that they must attach bar codes to their entry. Use of these criteria may induce higher average repeat purchase behaviour and may result in increased share of category requirements, at least for the duration of the sponsorship. These, and other behavioural measures, may all be examined using standard aggregated grocery market data, or panel data, which would also enable calculation of whether the investment in the sponsorship was offset by the increase in sales that resulted, and whether the sponsorship resulted in any longer term changes to the market structure.

Where sponsorship has been associated with both an event and the media coverage of that event, sponsors have also run phone-in competitions, which have usually required entrants to display some knowledge of the sponsor, and for which the prize has been donated by the sponsor. For example, Fisher & Paykel use phone-in competitions to leverage their sponsorship of New Zealand netball. Because of the constrained time-frame within which these promotions are run (typically only the duration of the event broadcast) there is little or no opportunity to administer questions other than a knowledge question and a question eliciting contact details. Assuming respondents are told that a condition of entry is that their contact details may be added to a prospect database, this information could be used to generate sales leads, the conversion of which could be evaluated and compared to the conversion rate afforded by other lead generation programmes. An additional benefit is that random samples of entrants (which typically number several thousand) may be compared to the brand's target market and some assessment of the sponsorship made.

However, not every sponsorship will offer an opportunity to create a direct link with consumers' behaviour. Where this is not possible, it may be necessary to examine intermediate variables. While managers have already sought to affect variables thought to mediate behaviour (awareness and image) the empirical evidence linking these to behaviour has remained contradictory, and some would argue illusory (see Ehrenberg 1974, 1988; East 1997). Examination of the ATR model suggests that trial, itself a behaviour, may be a more satisfactory measure of future behaviour than awareness or image.

While supermarket shoppers or browsers are thoroughly familiar with product trial promotions, such as demonstrations, the ambit for such promotions goes well beyond fmcgs. Publishers who sponsor conferences trial new software and texts while collecting business cards that serve as leads of future sales opportunities. Wineries and breweries also sponsor events in return for exclusive rights as suppliers. Exclusive arrangements enable a direct comparison of the profit earned on event-related sales with the cost of the initial investment. Opportunities such as these, which have a clear emphasis on usage experience with the sponsoring brand, usually supported by some kind of data collection, offer opportunities for behavioural monitoring which relatively few companies currently exploit. In particular, major events such as the Olympic Games involve a wide range of exclusive supplier relationships which could be analysed in this way, or which could be specifically designed as trial and lead generation programmes.

In summary, evaluation is arguably the most important phase of any promotion campaign and there is no reason why it should not also be so for sponsorship. However, the variables currently assessed in the sponsorship research that is undertaken seem unlikely to offer managers specific guidance about the success of a campaign, or about how sponsorship generally could be better managed in the future. To obtain this information, managers may find it more helpful to consider these objectives in terms of cueing or reinforcing behaviour, and to relate their sponsorship to specific sales promotion activities which enable some assessment of behavioural consequences.

A management agenda

The above sections have outlined and discussed specific approaches which would enable managers to obtain better insights into the behavioural consequences of any sponsorships they might undertake. However, in addition to re-considering the approach they take to sponsorship evaluation, managers are also starting to re-define the relationships they enter into with event owners. Meenaghan (1998) notes the development of promotional partnerships, where the fees charged for rights to a sponsorship are determined by sales to the sponsor's customers. Contracts where payment is defined in these terms ensures both parties have common goals and so makes co-operation a necessary part of the agreement rather than a helpful extra.

Meenaghan (1998) also describes performance guarantees where event owners share the investment risk normally shouldered by the sponsor alone. Again, this move ensures both parties are jointly responsible for the sponsorship's success and, since common self-interest is involved, the chances of this success are arguably improved.

Sponsors are also moving to close contractual loopholes which have seen them invest large sums in sponsoring an event only to see another sponsor, often a direct competitor, secure rights to the media coverage. Commonly termed *ambush marketing*, this activity has created a good deal of corporate ill-will and some have argued that it threatens the viability of sponsorship as a promotion tool (see Hoek 1997; Meenaghan 1994, 1996, 1998). Defining tighter contracts which would include co-ordination of the sponsorship with media coverage, and which would exclude rival sponsorships, will help provide a more secure environment for sponsors. Using the same logic, sponsors' suppliers have moved to ensure exclusive distribution rights, a step which both protects their investment and simplifies their evaluation.

Event owners now recognise that sponsorship goes beyond attaching a sponsor's name to an event. However, the rapid growth in sponsorship opportunities means that clutter may soon offset the safeguards recently introduced. Meenaghan (1998) noted evidence of consumer cynicism about sponsorship and argued that this would be *"further fuelled by the industry's gluttonous appetite for sponsoring 'almost anything that moves'."* (p25). Even tightly-defined and well-protected sponsorship rights will not guarantee success if the audience attracted to the event is not receptive. This implies a need to evaluate the range of sponsorship packages associated with any given event, as well as the need to monitor the number of sponsorships entered into more generally.

The difficulties in evaluating sponsorship have been complicated by a rather naive approach to sponsorship management in which sponsors have typically accepted contracts which allow them only limited control of crucial aspects of the event, and which offer no guarantees of a return on their investment. However, sponsors have become more assertive about their expectations and event owners have responded by offering more attractive rights packages. Given the continuing growth in sponsorship opportunities that Meenaghan and others have predicted, sponsors may find their negotiating stance is strengthened by an increased ability to pick and choose between competing events.

Conclusions

Almost all the sponsorship management research undertaken has revealed a heavy reliance on a cognitive-information processing perspective. There exists an uneasy and ill-defined relationship between many of the objectives managers set and the behavioural goals they hope to realise. The failure of this perspective to offer clear insights into consumers' behavioural responses raises serious questions about the value and logic of the image and awareness goals so often set for sponsorship.

An alternative is to adopt a behaviourist framework and place greater emphasis on the outcomes of sponsorship, and correspondingly less on the processes thought to mediate these outcomes. With comparatively few exceptions, researchers have agreed that sponsorship raises awareness but while the cognitive model assumes that this fosters attitudinal changes, the behaviourist-based model attempts to link this to trial behaviour. At present, few reported studies into sponsorship routinely collect details of respondents' brand usage behaviour, and few sponsorships make explicit provision for trial-prompting activities. Collection of brand repertoire details would enable some assessment of the direction in which awareness worked and would afford better insights into the behavioural consequences of sponsorship.

Without the incorporation of specific behavioural measures into sponsorship, evaluation will remain limited to a bland investigation of awareness, attitudes (image) and possibly preferences, with no real understanding of the relationship between these variables and consumers' behaviour. The variety of formats which sponsorship can take, and the direct interaction with audiences, live and media-delivered, offers great opportunities for the incorporation of trial prompting mechanisms which sponsors could exploit further. Adoption of the framework outlined and the behavioural measures incorporated within this cannot guarantee sponsorship success, but it could help to minimise the possibility that investment in sponsorship is simply a magnanimous but empty gesture.

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Janet Hoek is a Senior Lecturer in the Department of Marketing, Massey University, Palmerston North, New Zealand