

A MANAGERIAL PERSPECTIVE ON THE DEVELOPMENT OF BRAND KNOWLEDGE THROUGH EVENT SPONSORSHIP

Donald P. Roy, Mississippi State University

T. Bettina Cornwell, University of Otago

ABSTRACT

The use of sponsorship-linked marketing programs to generate product and corporate awareness has grown dramatically over the past two decades. Sponsorships are effective for building brand awareness, brand image, and corporate image. Each of these elements is considered to be part of brand knowledge (Keller 1993). The purpose of this study was to examine how managers responsible for sponsorship activities perceive their sponsorships' contribution to elements of brand knowledge.

Event sponsorship is popular with marketers as a means of building brands because it offers a means of leveraging secondary brand associations; that is, linking the brand to another entity (such as an event) that has its own associations. The brand becomes identified with the entity (Keller 1998). In turn, these associations comprise a brand's image. Specific brand associations considered in this study were brand personality, perceived quality, and corporate image. In addition to brand image, Keller's (1993) brand knowledge framework includes brand awareness. Thus, this study focused on sponsorship's brand-building role in four areas (brand awareness, brand personality, perceived quality, and corporate image).

Hypotheses were developed to assess managers' perceptions of sponsorship's role in building brand knowledge. Three areas of interest were examined. First, the effects of a firm's financial investment both in total dollars and in terms of a leverage ratio (total dollars spent: rights fees) that considers promotional spending over and above the sponsorship rights fees were hypothesized to be positively associated with managers' perceptions of sponsorship's contribution to brand knowledge. Second, it was hypothesized that sponsorships would be perceived to make a greater contribution to simple, less involving elements (e.g., brand awareness and corporate image) than higher order effects (e.g., brand personality and perceived quality). Third, the nature of the brand-event linkage was considered. Sponsorships that have logical or self-evident linkages (e.g., Texaco's sponsorship of auto racing) would report higher perceived contribution to brand knowledge than sponsorships with

strategic links (e.g., Texaco's sponsorship of the Metropolitan Opera).

Data were collected at two points in time, Summer 1996 and 1997. The first survey asked managers to report on their top three sponsorships in terms of financial commitments. This survey was used to collect such data as events sponsored, financial investment, leverage ratio, and source of sponsorship initiation. A total of 146 firms provided usable responses for Survey One. The second survey asked managers who responded to the first survey to rate how each sponsorship they listed in Survey One had contributed to: brand awareness, brand personality, perceived quality of brand, and corporate image. Of the 146 firms that participated in Survey One, 50 provided usable responses for Survey Two.

No support was found for the hypotheses that assessed the relationship between financial investment and perceived contribution to building elements of brand knowledge. Neither total financial investment nor leverage ratio was positively associated with building the various brand knowledge elements. Support was found for the hypothesis that sponsorships are perceived to make a greater contribution to distal (i.e., "distant from the brand") elements of brand knowledge than to proximal (i.e., "close to the brand") elements. Finally, no support was found for the hypothesized relationship of sponsorships with self-evident links making a greater contribution to brand knowledge than sponsorships with strategic links.

The results of the study give some support for the position that successful sponsorships are frequently the result of supporting promotional programs conducted to leverage the sponsorship. Another key finding was that the value of a self-evident link between brand and event might not be as important as previous discussion in the literature on sponsorship would lead one to believe. It appears that finding a match between the target audience of the brand and the target audience of the event as well as leveraging the sponsorship through advertising and other promotional activities may be more influential in a successful sponsorship.

For further information contact:
Don Roy
Department of Marketing, Quantitative Analysis, and Business Law
Mississippi State University
Mississippi State, MS 39762
Phone: (601) 325-3163
FAX: (601) 325-7012
E-Mail: droy@cobilan.msstate.edu
