

The impact of negative information about a sponsoring organization and a team's response to the information on consumer attitudes

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Abstract 415**

Sponsorship has flourished within the sports industry in recent years with Howard and Crompton (2005) reporting that sport organizations received 69% of all sponsorship investments totaling more than \$7 billion dollars in 2003. However, there has been little consideration of the consequences of these sponsoring relationships when one of the organizations is involved in a negative public scandal (e.g., Enron, Nike). Therefore, grounded in social identity theory and balance theory, this research examined the impact of negative sponsor behavior, and team response to such behavior, on consumer attitudes toward the sponsor.

Previous research has examined the highly identified fan's connection to the team as well as the consumer-team-sponsor relationship (Dalakas & Levin, 2005; Madrigal, 2000; Madrigal, 2001; Cornwell & Coote, 2005; Gwinner & Swanson, 2003). In sum, this research has suggested a positive correlation exists between consumers' team identification levels and attitudes toward the team sponsor, sponsor recognition, sponsor satisfaction, and sponsor purchase intentions. These results suggest a sponsor can connect itself to a sport organization and capitalize on the relationship between consumer and team because a sport organization becomes part of highly identified fans' self-concept. This leads to the first hypothesis:

Hypothesis 1: Highly identified fans will have more positive attitudes toward the team sponsor than those lower in identification.

Additionally, literature has suggested a spillover effect, or the rubbing off of attitudes from one entity to another, can occur when two organizations join in an alliance (Simonin & Ruth, 1998; Votolato & Unnava, 2006). Kuzma et al. (2003) found negative information about a sponsoring organization resulted in negative attitudes toward the sponsor, the sponsored university, and also negatively impacted purchase intentions. However, these studies failed to consider the implications of team identification. Research examining group identification and responses to the presentation of negative information about group members have shown that high identified group members tend to cope with a group threat by reaffirming their group membership (Cohen & Garcia, 2005; Ellemers, Spears, & Doosje, 1997) while low identified group members respond by distancing themselves from the group (Cohen & Garcia, 2005; Lickel, Schmader, Curtis, Scarnier, & Ames, 2005).

This research also considered how consumer attitudes would differ if the team were aware of the sponsor impropriety and chose to either 1) continue, or 2) terminate their relationship with the sponsor. Research examining the impact of negative information on organizational alliances found a greater negative 'spillover' from one organization to another occurred if consumers believed the associated organization was aware of the negative offense and still chose to continue their relationship with the disgraced company (Votolato & Unnava, 2006). Considering the previously mentioned literature on the consumer-team-sponsor relationship, team response and the level of team identification is also likely to determine consumer attitude toward the sponsor. This leads to the second hypotheses:

Hypothesis 2: There will be a significant interaction effect between level of team identification and team response on consumer attitudes toward the sponsor.

To test these hypotheses, 323 students at a large Midwestern university were given a short questionnaire assessing their identification level with a regional NFL team. Results were used to group the participants into high (top 33%) and low (bottom 33%) identification groups. Two weeks later the participants were randomly assigned one of four treatments consisting of a created newspaper article which established the relationship between the team and sponsor, provided information about the sponsor, and gave the team response to the information. The four conditions were as follows: 1) irrelevant information about the team sponsor, 2) negative information with no team response, 3) negative information with team continuing the team-sponsor relationship, and 4) negative information with team terminating the team-sponsor relationship. Participants were then asked to respond to a questionnaire measuring their attitude toward the sponsor. Reliability estimates using Cronbach's alpha for all multi-item scales were as follows: Identification pre-test ($\alpha = .98$) and attitude toward sponsor ($\alpha = .99$).

Hypothesis 1 was tested using a one way ANOVA to compare means of participants in the irrelevant information treatment group. Identification level (i.e., high, low) was used as the independent variable and participant attitude toward the sponsor was the dependent measure. The overall model was significant ($F(2, 76) = 3.61, p = .033, \eta^2 = .086$) and there was a significant difference ($p = .038$) in attitudes toward the team sponsor between highly identified consumers ($M=6.03, SD=1.34$) and low

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identified consumers ($M=5.06$, $SD=1.49$). Thus, hypothesis 1 was supported.

Hypotheses 2 was also tested using ANOVA. A 2x3 factorial design was used with identification group (high, low) and treatment group (negative info./no response, negative info./terminate, negative info./continue) serving as the independent variables and attitude toward sponsor serving as the dependent variable. The overall model was significant ($F(5, 159) = 6.089$, $p < .001$, $\eta = .162$). There were significant main effects for treatment group ($F(2, 162) = 4.96$, $p = .008$, $\eta = .059$) and identification group ($F(1, 163) = 13.973$, $p < .001$, $\eta = .081$), as well as a significant interaction between treatment x identification group ($F(2, 162) = 3.35$, $p = .037$, $\eta = .041$). Thus, hypotheses 2 was supported.

Follow up analysis revealed a significant difference ($p=.005$) in attitudes toward the team sponsor between highly identified consumers in the negative information/continue response condition ($M=3.48$) and highly identified consumers in the negative information/terminate response condition ($M=2.01$).

Results revealed bad sponsor behavior and team response had a marked influence on consumers' attitude toward the sponsor, particularly highly identified fans. Highly identified fans reported more favorable attitudes toward a sponsor regardless of the sponsor behavior. However, an identification x treatment group interaction was noted such that highly identified fans reported more favorable attitudes toward the badly behaving sponsor when the team continued the relationship with the sponsor compared to when the team terminated the relationship with the sponsor.

The results of this study will be more fully explained and connected to existing literature in an effort to extend the theories in which this research was based. Additionally, the practical applications this research holds for sport managers and marketers will be provided.