

The Effectiveness of Official Sponsor Designation: The Case of Ambush Marketing in Major League Baseball (MLB)

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Despite widespread economic uncertainties and corporate cutbacks in advertising, sponsorship expenditures in North America have continually increased in recent years (IEG, 2008). For example, the International Events Group (IEG) indicated that 2008 sponsorship expenditures are expected to reach an all time high with approximately \$14.93 billion spent in North America alone. While sponsorship expenditures and revenues have continued to rise in recent years, anecdotal evidence suggests that corporate marketing budgets are being cut at a significant rate and corporations are placing a greater focus on the effectiveness of their sponsorship investments (Koo, Quarterman, & Flynn, 2006). Regardless of the recent corporate marketing cuts and the need to demonstrate the effectiveness of sponsorship, sport teams and event properties are becoming increasingly reliant on revenue from sponsorships (Koo, Quarterman, & Flynn, 2006; Stotlar, 2004). This increased reliance on sponsorship revenues has potentially increased sport organizations vulnerability to the negative effects of ambush marketing, which may be defined as an unofficial sponsor's attempt to falsely associate itself with an event and gain some of the benefits associated with official sponsorship (Sandler & Shani, 1989).

Anecdotal evidence suggests that ambush marketing may be increasing on an international level. For example, ambush marketing at the Olympic Games continues despite the International Olympic Committees (IOC) widely regarded ambush protections. Researchers believe that despite IOC policies, ambush marketing at the 2008 Olympics in Beijing, China reached an all time high. In 2006 Chinese inspectors discovered 1,556 cases of Olympic trademark infringement, which represented a 300 percent increase from 2005. Additionally, Beijing based media research firms polled thousands of Chinese citizens in 10 different cities and discovered widespread uncertainty (i.e. fans could not identify official sponsors correctly) regarding the sponsorship of the 2008 games (Madden, 2007). Overall, researchers are concerned that ambush marketing may negatively impact the value of official sport sponsorships (Lyberger & McCarthy, 2001; Moorman & Greenwell, 2005; Sandler & Shani, 1989). Many sport properties use the term "official" to distinguish legitimate sponsors from ambushers; however, little research has been undertaken to evaluate whether or not this method works. Therefore, the purpose of this study was to assess the effectiveness of official sponsor designations. Using a sample of Major League Baseball (MLB) spectators, this study utilized a quasi-experimental research design to simulate the effect of various marketing activities (official league sponsorship, official team sponsorship, ambush marketing) for various methods of marketing involvement (television advertising, sponsorship related promotions, the use of official MLB or team logos) on consumer purchase intentions.

A sample of MLB fans attending three home, regular season games in a large, Midwestern, U.S. city completed a paper and pencil survey. The team included in this study was a relatively successful team competing in the American League. MLB fans were chosen since previous research has rarely examined the effects of ambush marketing on this unique group of sports consumers. Additionally, MLB baseball is often targeted by ambush marketers due to its minimal level of protection against ambush activities (Lindeman, 2006). A total of 364 spectators completed the randomly distributed survey, which included a variety of demographic questions, nine (3 marketing activity x 3 method of involvement) scenarios adapted from Moorman & Greenwell (2005), and three purchase intention items (Speed & Thompson, 2000). The purchase intentions items were utilized to measure sponsor/ambusher effectiveness since researchers and marketers suggest that purchase intentions are a better measure of future sales than recall or recognition (Cornwell & Coote, 2005; Gwinner & Swanson, 2003; Madrigal, 2000; Meenaghan, 2001). A 3 (marketing activity) X 3 method of involvement) factorial ANOVA was used to test for significant differences among purchase intention means. There was a significant interaction between marketing activity and method of involvement on purchase intentions, $F(4,355) = 4.09, p < .01$, indicating participants exposed to various marketing activities were influenced differently by the marketer's method of involvement. There was also a significant main effect marketing activity on purchase intentions, $F(4,355) = 3.36, p < .05$. The results of simple comparisons tests demonstrated that subject purchase intentions were significantly higher in the ambush marketing group than the MLB sponsor or team sponsor groups.

Overall, the most important finding of this study was that ambush marketing may be more effective than official sponsorship in terms of purchase intentions. While previous research has demonstrated that ambush marketing may be marginally effective when compared to official sponsorship, this may be the first study that demonstrates ambush marketing may be more effective than official sponsorship (Lyberger & McCarthy, 2001; McDaniel & Kinney, 1998; Sandler & Shani, 1989). On the opposite end

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of the spectrum, since ambush marketing is potentially more effective than official sponsorship, it may not be a good investment to purchase an official sponsorship. Another important and unique finding was that fans exposed to various marketing strategies were influenced differently by the marketer's method of involvement. In both the television and promotion groups, fans were significantly more likely to purchase ambushers products than official sponsors products. Similar to the Moorman and Greenwell (2005) study, this illustrated that television advertising and promotional giveaways may be more effective methods of ambush marketing than illegally utilizing a team or league logo.