Mega versus Local Sport Sponsorships

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Corporations obviously benefit from sponsoring mega sport events by reaching a large audience and using the events’ fame, popularity, and other positive attributes in an attempt to transfer them to the corporation’s brand image. For this reason, large corporations spend an astronomical amount of money on sport sponsorships. Though sponsorship is typically part of an organization’s overall marketing communication strategy, it has been considered less “commercial” than other forms of marketing (e.g., advertising, promotions) because it generates feelings of goodwill amongst consumers. However, the common use of mega sport event sponsorships by large corporations may be more likely to expose their commercial intentions to consumers. Thus, it may be more difficult for companies to generate consumers’ perceptions of goodwill when they sponsor a mega sport event. Some corporations choose to support local grassroots sport events in order to highlight their sincerity. However, prior studies have heavily focused on the effectiveness of mega sport event sponsorships while few have examined local sport sponsorships, thus the body of knowledge in this area is limited.

The present study broadly aims to fill this gap by comparing mega sport sponsorships to local sport sponsorships relative to consumers’ perceptions. Specifically, the study examines whether or not event size has significant impact on consumers’ perceptions of goodwill. In the relationship between event size and perceived goodwill, sponsorship duration and sponsor-event congruence will be tested as moderating variables. Finally, it is anticipated that perceived goodwill affects attitudes toward the sponsor, subsequently influencing purchase intentions.

Theoretical Background and Hypothesis Development

According to attribution theory, each individual acts as a naïve scientist, and attempts to figure out the reason why a certain situation has occurred based on commonsense explanations (Heider, 1958). Likewise, consumers try to understand why a corporation sponsors a sport event when they view sponsorship activities (Dean, 2002). Consumers may evaluate a sponsor more positively when they perceive the sponsor’s intention to support a sport event without any external attribution (i.e., commercial intentions) than when they find the cause through the external attribution. The former is more likely to happen in local sport event sponsorships than in mega sport event sponsorships since consumers may recognize it is hard for local sport events to secure operating funds through other sources (e.g., ticket sales, broadcasting rights). In addition, previous conceptual studies have pointed out that consumers tend to recognize that the smaller or more local the sponsored event, the more sincere the sponsoring company appears in its sponsorship activities (McDonald, 1991; Smith, 2004). Thus,

H1: A corporate sponsor will generate greater perceptions of goodwill when it sponsors a local sport event than when it sponsors a mega sport event.

We anticipate that a longer term commitment will increase consumers’ perceptions of goodwill for both types of events. However, since sponsor support is absolutely vital for local events to survive, we anticipate consumers will perceive the highest goodwill when a sponsor supports a local sport event with a long-term sponsorship contract. Smith (2004) supports this idea by suggesting the interaction effects between event status and sponsorship duration on perceived sincerity and quality of a sponsor. Thus,

H2: There will be an interaction between event size and sponsorship duration on consumers’ perceptions of goodwill. In particular, a corporation’s local sport event sponsorship with a long sponsorship duration will generate significantly higher consumers’ perceptions of goodwill than will a corporation’s sport event sponsorships in other conditions.
According to Heider’s (1958) attribution theory, low sponsor-event fit make commonsense explanations concerning the relationship impossible. Thus, consumers may be more likely to be suspicious of the reasons why the sponsor supports the event when sponsor-event incongruence exists, particularly for a corporation sponsoring a local event. That is, they may perceive their reasons to be more commercial and thus dilute the effectiveness of sponsoring such an event on consumers’ perceptions of goodwill. Thus,

H3: There will be an interaction between event size and sponsor-event congruence on goodwill. In particular, a corporation’s local sport event sponsorship with high level of sponsor-event congruence will generate significantly higher consumers’ perceptions of goodwill than will a corporation’s sport event sponsorships in other conditions.

Prior sponsorship studies identified perceived sincerity influenced attitude toward the sponsor (Kim et al., 2011; Speed & Thompson, 2000). Similarly, Dees et al. (2008) showed the significant correlation between perceived goodwill and attitude toward the sponsor. In addition, the path from attitude toward the sponsor to purchase intention has been confirmed as significant (Lee & Cho, 2009; Gwinner & Bennett, 2008). Thus,

H4: Consumers’ perceptions of goodwill will positively influence their attitudes toward the sponsor.

H5: Attitude toward the sponsor will positively affect purchase intentions.

Method

Participants will be recruited from Amazon Mechanical Turk. A total of 450 respondents in the United States will participate in the online survey. To support the hypotheses, the current study will conduct an experiment with a $2 \times 2$ between-subjects factorial design: (1) event size (mega and local), (2) sponsorship duration (long-term and short-term), and (3) congruence between a sponsoring brand and a sponsored event (congruence and incongruence). The FIFA World Cup and Soccerfest (a non-profit grassroots soccer tournament which has been held in the western Massachusetts area once a year) will be used as a mega and local sport event, respectively. One-time sponsorship will be employed as a short-term sponsorship duration, and three-time sponsorship will be used as a long-term sponsorship duration. Two proper brands for sponsor-event congruence and incongruence will be selected based on the pretest results. The participants will randomly receive one of the eight versions of the fictitious news clippings. After reading each assigned news clipping, participants will answer the questions regarding goodwill, attitude toward the sponsor, purchase intention, sponsor-event congruence, perceived event size, and sponsorship duration.

For dependent measures, scale items developed by Dees et al. (2008), MacKenzie and Lutz (1989), and Yi (1990) will be used to measure goodwill, attitude toward the sponsor, and purchase intention, respectively. For independent variables, we will employ Speed and Thompson’s (2000) scale items for sponsor-event congruence. Scale items developed by the authors to measure event size will be used.

Results and Discussion

Through a three-way full-factorial ANCOVA, the current study will show the main effects of event size, and the moderating effects of sponsorship duration and sponsor-event congruence in the relationship between event size and perceived goodwill. In addition, regression analyses will test the relationships among the dependent variables including perceived goodwill, attitudes toward the sponsor, and purchase intentions. The results of the present study may contribute to the sport sponsorship literature both theoretically and practically. The study results should extend our knowledge in these areas. Further, practitioners may discover the merits of a corporation sponsoring local sport events at lower costs, and the importance of duration and congruency. The authors ensure that the detailed implications of the findings, limitations, and directions for future research will be discussed at the conference with the actual experiment data.