Owning the Campus: Examining the Impact of Sportswear Sponsorship on Student Consumers

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The value of the intercollegiate athletics industry in the U.S. has rapidly increased in recent decades, with revenues approaching $990 million across NCAA divisions (Plunkett Research, 2015). A considerable contribution to these revenues comes from major sportswear companies’ sponsorship of university sports teams. In 2014 alone, Adidas, Nike, Russell Athletic, and Under Armour combined to guarantee 128 sponsorship contracts worth $250 million, with individual deals reaching $8.9 million, and spanning up to 10 years (Kish, 2014).

Increasingly sport sponsors are putting greater focus on the sponsorship of sportswear and apparel, as the athletes provide a constant stream of exposure to their target audience (Martinez, Janney, Cornwell & Kwak, 2015). Apparel sponsors typically receive “official provider” status, precluding other companies from using university trademarks, and enabling them to “own the campus” (Kish, 2013), but this does not necessarily translate into positive consumer perceptions among students of that university (Wear, Heere, & Clopton, In Press). The question then becomes less about whether or not a company is a sponsor, and more about how it goes about activating that sponsorship, so students are aware of that sponsor.

On this basis, the authors examined the role of sponsorship activation in the relationship between students’ team and university identities, and brand image and loyalty. The deep emotional and symbolic connections that fans develop with their sports teams provide a unique opportunity for sponsors to cultivate long-term consumer bases (Heere & James, 2007). Belief in this strategy is indicated by the scale of the investments made by sportswear companies, but more research is required to ascertain consumers’ attitudinal responses to sponsorship and activation. From this the authors posit the following hypotheses:

H1: Sponsorship activation perceptions will positively moderate the relationship between team identity and sponsor brand image and sponsor brand loyalty.

H2: Sponsorship activation perceptions will positively moderate the relationship between university identity and sponsor brand image.

Three universities with unique sponsoring companies were studied in order to increase the generalizability of the findings, and facilitate comparisons. The sample included students from each respective university (n = 465) as they represent the primary target population for these sponsors. To examine the constructs of team and university identity Heere, James, Yoshida, & Scremin’s (2011) scale of group identity was used. Villarejo-Ramos and Sanchez-Franco’s (2005) scale of brand image and brand loyalty was used to assess individuals’ beliefs of their sportswear sponsor’s brand. Wear and Heere’s (2015) perceptions of sponsorship activation scale was used to measure students’ perceptions of the presence of activation done by their university’s sportswear sponsor. Reliability testing of the sample resulted in Cronbach’s Alpha scores of 0.92 and .91 for the group identity instrument (Heere et al., 2011) measuring both team and university identity, 0.88 and 0.95 for the sponsor brand image and sponsor brand loyalty scales (Villarejo-Ramos & Sanchez-Franco, 2005), and 0.946 for sportswear sponsorship activation scale (Wear & Heere, 2015). While Heere et al.’s (2011) group identity scale is a multidimensional instrument, it was treated as a one dimensional construct because of the moderation analysis engendered in this study. Each of these scores was above the 0.8 threshold recommended by Lance, Butts, & Michels, (2006) showcasing that the scales used were reliable.

To examine the explicit impacts of team and university identity upon sportswear sponsor brand attitudes, with sponsorship activation as a moderator, a structural equation model was proposed. Prior to the testing of the model, assessment of the psychometric properties was conducted through a confirmatory factor analysis (CFA) to establish reliability and validity. Results from the CFA show that all items loaded on their respective constructs, and had factor loadings ranging from 0.48 to 0.88. Composite reliability scores ranged from 0.87 to 0.95 for the constructs, greater
than the recommended cutoff of 0.7 for scale reliability (Hair, Black, Babin, & Anderson, 2010). AVE scores of the constructs ranged from 0.50 to 0.78, providing evidence for convergent validity (Fornell & Larcker, 1981). Discriminant validity was assessed by comparing each constructs AVE scores to their ASV (average shared variance) scores. In each case, the constructs AVE score was greater than their respective ASV scores, providing evidence for discriminant validity. Following the measurement model, a structural equation model was then tested to analyze the moderating role of sponsorship activation.

The subsequent path analysis yielded an overall model that displayed an adequate fit of the hypothesize relationships (CFI = 0.99; NFI = 0.98; RMSEA = 0.05). Sponsorship activation held a strong positive relationship with sponsor brand image ($\beta = 1.27$, $p < 0.001$), but held a non-statistically significant relationship with sponsor brand loyalty ($\beta = -0.18$, $p = 0.21$). This follows brand communication intuition that greater positive exposure of a brand and its qualities, can in turn enhance its image (Gwinner & Eaton, 1999). Team identity in this case did not hold statistically significant relationships with sportswear sponsor brand image or loyalty ($\beta = 0.63$, $p = 0.14$; $\beta = -0.13$, $p = 0.38$), thus removing the possibility for interaction moderation to take place. This finding is consistent with the findings of Wear et al. (In Press), in which despite team identity’s ability to influence consumer behavior (Heere et al., 2011; Trail et al., 2000) it is not effective in influencing individuals’ perceptions of sportswear sponsor’s brand image.

Sponsorship activation was found to successfully moderate the positive relationship between university identity ($\beta = 1.52$, $p < 0.001$) and brand image. However, sponsorship activation as the interaction moderator in this case dampens the positive relationship ($\beta = -0.26$, $p < 0.001$) between university identity and sponsor brand image. This finding is interesting, and is contrary to the general benefits described in the literature surrounding sponsorship activation (Herrmann, Kacha, & Derbaix, 2015; O’Reilly & Horning, 2013; Smith, 2004). The results provide evidence that those individuals who are highly identified with the university in turn hold positive brand image perceptions of the official sportswear sponsor, but these positive brand image perceptions are not impacted positively when their perceptions of sponsorship activation are high. This has the possibility to be attributed to the concept of advertising clutter that is created from excessive marketing promotions (Cornwell, Relyea, Irwin, & Maigan, 2000). When highly identified consumers are confronted with excess activation strategies, their perceptions of sponsor brand image are still positive, but dampened compared to if high levels of activation strategies had not been employed. This provides evidence for the intricate and complicated nature of sponsorship activation, and that we still may not understand sponsorship’s “black box” (Cornwell, Weeks, & Roy, 2005).

The path analysis from the structural equation gave rise to several interesting findings. Most intriguing and contrary to the suggestions of Wear et al. (In Press) is the lack of a statistically significant relationship between team identity and brand image, despite the inclusion of sponsorship activation as a moderator for the relationship. However, university identity was found to hold a positive relationship with brand image with sponsorship activation as a moderator. This relationship is in line with the findings of Heere et al. (2011) that intercollegiate athletic teams act as representations of individuals’ associated group identity to their university. Capitalizing on the qualities and identities that target consumers hold allows companies to turn sport sponsorships from sizeable investment to successful strategy (Pappu & Cornwell, 2015).