Sponsorship of the 2016 Rio Olympic Games: An Empirical Examination of the Reactions to Sponsors and Rival Brands

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The Olympic Games are among the most popular mega events worldwide. The 2016 Rio Olympic Games generated approximately 187 million tweets and more than 1.5 billion interactions on Facebook (Hutchinson, 2016), while the 2012 London Olympic Games had a global audience of more than 3.6 billion (Statistica, 2016). Due to this extensive popularity, many firms have invested in sponsorship deals in hopes to distinguish themselves from the competitors and obtain competitive advantages (Apostolopoulou & Papadimitriou, 2004). Previous studies have suggested that perceived congruence between sponsor and sponsee, brand awareness (Trendel & Warlop, 2014), increased attitudes towards the sponsor, and purchase intentions (Madrigal, 2001) are among the most critical goals that sponsors pursue. However, despite the efforts of event organizers to protect sponsors, some reaction from rival brands is inevitable. As noted by Pitt, Parent, Berthon, and Steyn (2010), sponsors often face the competition of numerous rival brands which have chosen not to exploit the sponsorship opportunity – either by lack of resources or by strategic decision, but still try to indirectly associate with the event. Therefore, prospect consumers may have a natural difficulty in recognizing the actual sponsors when they are exposed to multiple brands associated to sports in the same way (Biscaia, Correia, Ross, Rosado, & Marôco, 2014). Given this consideration, the purpose of this study was to compare the levels of brand awareness, perceptions of brand-event congruence, attitudes towards the brand, and purchase intentions of both local sponsors of the 2016 Rio Olympics and rival brands with no official connection with the event.

The study sample consisted of alumni from a large Brazilian university. In consultation with the administrative department, a mail survey was sent to 3,944 alumni randomly selected from the university’s database. A total of 621 responses were deemed usable for data analysis. The three first sections of the survey started with the same question: “Please, among the four options below, check the one you believe is an actual sponsor of the 2016 Rio Olympic Games”. These sections listed the four most popular brands in Brazil of three products: cell phone providers, yogurts, and beers. The response options for the first question in each of these sections appeared in a random order for each participant. Sponsorship awareness was measured through an established recognition measure (Lardinoix & Derbaix, 2001), with participants being asked to identify which of the four brands was a sponsor of the 2016 Rio Olympic Games. After choosing one brand as the sponsor of the event, respondents were directed to the questions related to congruence, attitudes toward that brand, and purchase intentions of products of that brand. The stem for these items was the same and read, “Considering [the chosen brand] as a sponsor of the 2016 Rio Olympic Games, please, indicate your level of agreement with the following statements”. Participants’ perception of congruence was measured using four items proposed by Speed and Thompson (2000). Three items proposed by Gwinner and Bennett (2008) were used to assess attitudes toward the brand, while purchase intentions were measured using a single item proposed by Biscaia, Correia, Ross, Rosado and Marôco (2013). All these items were measured on a 7-point Likert scale type (1=Very Strongly Disagree to 7=Very Strongly Agree). Data were analyzed with SPSS 21.0 and Mplus 7.11. Frequencies were used to determine whether respondents were able to correctly recognize the actual sponsors. Chi-square tests were then conducted for each product category to assess differences in the recognition levels between each sponsor and its strongest non-sponsor rival brand. Next, a confirmatory factor analysis (CFA) was conducted to verify the psychometric properties of the scale items. Finally, t-tests were performed to assess differences in congruence, attitudes toward the brand and purchase intentions between sponsors and their strongest sponsor rival brand in each product category.

The results indicate that more respondents chose the wrong brand when asked to point a cell phone and a yogurt brand sponsoring the 2016 Rio Olympic Games. The cell phone provider sponsor (Claro) was correctly recognized by 36.7% of the respondents, while its main rival brand (Vivo) was incorrectly recognized as sponsor by 38.3%. In a
similar vein, the yogurt brand sponsor (Batavo) was correctly recognized by 25.9% of the respondents, with more than half of the sample (51.0%) incorrectly identifying Nestle as a sponsor. However, more respondents chose the correct beer sponsor of the event. Skol was correctly identified as sponsor by almost half of the sample (47.2%), while about one-third (30.0%) incorrectly identified the main rival (Brahma) as a sponsor. The results of chi-square tests were not significant for the cell phone provider ($\chi^2=0.21$, df=1, $p=.643$), but were significant for yogurt brand ($\chi^2=50.91$, df=1, $p<.001$) and beer brand ($\chi^2=23.90$, df=1, $p<.001$). The results of the CFA for the three sponsors showed reasonable fit to the data: cell phone provider (RMSEA=.06; CFI=.99; TLI=.98), yogurt (RMSEA=.04; CFI=.97; TLI=.99), and beer (RMSEA=.05; CFI=.99; TLI=.99). A reasonable fit to the data was also obtained for the three strongest non-sponsor rival brands: cell phone (RMSEA=.03; CFI=.99; TLI=.99), yogurt (RMSEA=.04; CFI=.99; TLI=.99), and beer (RMSEA=.04; CFI=.99; TLI=.99). The internal consistency values were above the cutoff point of .70 (Hair, Black, Babin, & Anderson, 2009) for all sponsors and non-sponsors, while the AVE values were greater than .50 providing evidence of convergent validity (Fornell & Larcker, 1981). Discriminant validity was also accepted in all models given that the AVE value for each construct was greater than the squared correlation between that construct and any other. The t-test results indicated that respondents perceived a higher congruence between the rival brand of cell phone and the event than between the actual sponsor and the event ($t=-2.67$; df=44; $p=.008$). The same happened with the yogurt brands ($t=-2.60$; df=46; $p=.010$). In turn, perceptions of congruence did not differ significantly for the sponsor brand of beer and its rival brand ($t=0.183$; df=477; $p=.855$). Similarly, respondents had better attitudes toward the rival brands of cell phone ($t=-7.37$; df=44; $p<.001$) and yogurt ($t=-5.78$; df=46; $p<.001$) than the actual sponsor brands in these product categories, while no significant differences were observed between the sponsor brand of beer and its main rival ($t=-1.16$; df=48; $p=.246$). Finally, results showed that respondents had higher intentions to purchase the products of the rival brands than the products of actual sponsors, with this happening for all product categories: cell phone ($t=-7.28$; df=44; $p<.001$), yogurt ($t=-9.01$; df=46; $p<.001$), and beer ($t=-2.30$; df=48; $p=.022$).

The awareness levels revealed that only the beer sponsor was recognized correctly by a significantly higher number of respondents. Recognition rates were not significantly different between cell phone providers, while the non-sponsor of yogurt was incorrectly identified by significantly more respondents than the actual sponsor. These findings call into question the role of sport sponsorship deals to increase brand awareness, and highlight the idea that the ability to identify a sponsor can be subject to distortion when people are exposed to multiple brands (McAlister, Kelly, Humphreys, & Cornwell, 2012). Perceptions of congruence and attitude towards the brand were significantly lower for the cell phone provider and yogurt sponsors than for the strongest rival brands. Finally, purchase intentions were significantly lower for the three sponsors. Pham and Johar (2001) refer that market prominence of a brand is an important aspect in determining how people respond to sponsorship, and the strongest rival brands in this study are all deeply rooted in Brazilian sport settings. These results reinforce the idea that sponsors should invest greatly in leveraging activities (e.g., public relations activities, internet tie-ins, direct marketing or sales promotions) to succeed in differentiation from competitors and trigger more positive reactions among the target consumers (Nickell, Cornwell, & Johnston, 2011). Overall, results from this study suggest caution in sponsorship of sport mega-events. Future studies comparing people’s reactions to actual sponsors of sport mega-events and their rival brands with no official connection to these events should be conducted to better understand how to increase the effectiveness of sponsorship deals.