An Empirical Study of Different Sport Sponsorship Types and its Effect on Brand Equity: A Chinese Basketball Association Case Study

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Global sponsorship spending reached $57.5 billion in 2015, with 4.1% increase from the previous year. Particularly, Asia Pacific region, including China, India, South Korea, and Japan, recorded the fastest growth rate, 5.2% increase, from 2014 to 2015 in sponsorship spending (IEG, 2016). Sport entity was identified one of the larger beneficiaries from sponsorship program; thus, it becomes important to understand how sponsorship program works in Asian sport industry and what factors play significant roles to make sponsorship program more effective.

Chinese Basketball Association (CBA) is considered as one of the most popular professional sports. Currently there are 20 teams in the CBA and 380 games played in a regular season with over 300 million fans throughout the country. Between the four season that were played (from 2011–2012 to 2014–2015 season), a total of 35 different corporate sponsors which made the CBA one of the most sponsored professional sport leagues in China.

Following line of sport sponsorship research, we identified brand equity should be a critical measurement to determine sponsorship effectiveness (Cornwell, 1998). Aaker (1991) and Keller (1993) provided fundamental concept and structure for brand equity. Aaker suggested that brand equity is a multidimensional concept that includes brand awareness, perceived quality, loyalty, and association. Some of the most influential factors impacting brand equity include a) congruence between sponsors and sporting events (Reinhard et al., 2004; Henseler et al., 2007), b) sponsorship awareness (Speed, 2000), c) length of sponsorship contract (Johan et al., 1999), and d) sponsorship level (Henseler et al., 2007).

As CBA has different types of corporate sponsors, it would be meaningful to conduct a case study on how various factors identified from sponsorship literature, such as congruence between a sport and a sponsor, length of sponsorship contract, and sponsorship level would influence brand equity of the sponsors. Hence, the objective of this study is to test effects of different sponsorship programs on brand equity using CBA sponsorship programs.

A survey research was employed to examine differences in brand equity based on different types of sponsors. Six different sponsors of the CBA, Nike (high-congruent) and UPS (low-congruent), PPTV (high level) and LeTV (low level), Zengzhi (long-term) and Haojiang (short-term), were provided in the survey questionnaire to measure different impacts of sponsors on brand equity. Brand equity items are derived and revised from Aaker (1996), Boyle and Magnusson (2007), and Yoo and Donthu (2001), and finalized after experts' review on content validity. A total of 400 students in four different colleges responded the survey between September and October 2015. Independent samples t-test was employed to examine different effects of sponsorship programs on brand equity.

The results of the current study concluded that: a) a sponsor with longer contract (Zengzhi) led higher brand equity among the respondents than a shorter-term sponsor (Haojiang) (t=4.137, p<0.01), b) a sponsor with high level (PPTV) enhanced brand equity more that a sponsor with low level (LeTV) (t=2.443, p<0.05), however, c) there were no significant difference in brand equity between high congruent sponsor (Nike) and low congruent sponsor (UPS). Findings on the effects of sponsorship length and level on brand equity are in line with previous literature (Johan et al., 1999) but congruence factor was not proved a significant variable to enhance brand equity in this case study. However, Henseler et al (2007) reported that from a corporate sponsorship perspective, if the sponsorship level is high enough then brand congruence is not an influencing factor. Nike and UPS used in this study might be both very well-known and high profile sponsors among Chinese consumers so its congruence might not be important to
enhance brand equity.

The current study is limited by only focusing on the post-test for each brand equity. The study is also limited to CBA sponsorship brand equity and not considering other factors effecting causing sponsors brand equity to change.