Is Activation Worth It? The Effects of Consumer Engagement on Sponsorship Outcomes

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In 2019, brands’ global expenditures on sport sponsorship were projected to reach $46 billion (Cutler, 2019), surpassing national GDPs of fifty-eight percent of the world’s countries (World Population Review, 2019). Defined by Meenaghan (1991) as “an investment, in cash or kind, in an activity, in return for access to the exploitable commercial potential associated with that activity” (p. 36), sponsorship has become a widespread strategy among brands looking to grow their exposure and influence consumers’ attitudes and behaviors. Sports events in particular have found a strong acclaim as a platform for sponsorship activation. For instance, the 2018 FIFA World Cup served as an opportunity for a variety of brand activations performed by its official sponsors, including the World Football Heritage exhibition in Hyundai’s Motorstudio in Moscow or in-stadium electronics showrooms and pre-game DJ performances by VIVO. Yet, despite the high investments in sponsorship activations, the evaluation of sponsorship outcomes (Meenaghan, 2011) and research on the potential of sponsor brand engagement (Cornwell, 2019) as well as the overall strategic and implementation aspects of sponsorship activation have remained limited (Cornwell & Kwon, 2019; O’Reilly & Horning, 2013).

The value of a sponsorship lies in its impact on the way, in which sponsors connect with their audiences (Cornwell, 2019). Consumers’ perceptions of the sponsor are affected by consumers’ interpretation of characteristics of the sponsorship (Woisetschläger, Backhaus, & Cornwell, 2017) and whether the sponsorship is seen as authentic (Cornwell, 2019). When a partnership is perceived as genuine, consumers are likely to develop higher levels of consumer loyalty to the sponsor (Cornwell, 2019). One of the ways of increasing the levels of perceived sponsorship authenticity could be through an activation strategy focused on providing consumers with an interactive event space. According to interaction theory, interaction with the brand could make the sponsor appear as less transactional and more relationship-oriented and help consumers feel more emotionally connected to the brand (Pansari & Kumar, 2017). According to image spill-over research, the perceived contribution of the sponsor to consumers’ fan experience may also positively impact post-event perceptions toward the sponsor that helped create that experience (e.g., Su & Kunkel, 2019). Therefore, examining the role of sponsorship activation and the potential mediating effects of authenticity in this process can help understand the value of a direct physical interaction with a brand as a sponsorship activation strategy.

This research uses a field experiment at an international sport-spectator event to examine the effectiveness of sponsorship activation on consumers’ perceptions toward two sponsoring brands, one that activated the sponsorship (i.e., providing an interactive event space) and one that did not activate the sponsorship (i.e., only logo placement at the event). Longitudinal, quantitative data were collected from attendees who purchased tickets only, one week prior to the event (N = 835) and one week after the event (N = 1014), with 473 respondents completing both surveys. Data collection just completed, and analysis is ongoing. Main effects of sponsorship activation and the potential mediation effect of sponsor authenticity will be presented at the conference.