Sponsorship Effects On Brand Awareness And Brand Loyalty

2.2. The sponsorship effects on brand equity

2.2.1. Introduction

The previous research conducted to measure the effects of sponsorship on various cognitive, affective and conative dimensions of consumer behavior are mainly representing the effects of sponsorship involvement on brand equity elements such as brand awareness, perceived quality, brand associations and brand loyalty. On the other hand, there are other studies (Roy & Cornwell, 2001) which mainly focused on the effect of brand equity on the consumer response to sponsorships.

Before starting to examine the studies on the effects of sponsorship on brand equity elements, it would be useful to deal with more general effects of sponsorship involvement. The sponsorship activities affect not only the consumers in the sponsored event and in the society by generating a goodwill effect (Meenaghan, 2001) but also financial institutions by attracting the attention, the community leaders by acquiring sympathy, the employees in emotional ways (Gardner & Shuman, 1988), regulation bodies, suppliers and other groups in the society (Mason, 1992).

2.2.2. Brand awareness and associations

Aaker (1991) defines brand awareness as the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category and according to him, brand awareness can create value to a brand by four ways such as being an anchor to which other associations can be attached, creating familiarity, being signal of commitment and taking the brand into consideration list. Many studies conducted on the effects of sponsorship on sponsor companies’ or brands’ awareness, recognition or recall by surveying consumers found that sponsorship has a positive effect on this element of brand equity (Sandler & Shani, 1992;
Cuneen & Hannan, 1993; Rajarethan, 1994; Hansen & Scotwin, 1995; Lardinoit & Derbaix, 2001). Contrary to the previous results, Sandler & Shani (1989) found that non-sponsor brands are recalled better than sponsors. The authors concluded by suggesting that sponsorship should be leveraged in order to be effective. On the managerial side, previous research showed that managers perceived sponsorship as making contribution to distinct elements of brand knowledge such as brand awareness (Roy & Cornwell, 1999). The previous researches done in regard to awareness effects of sponsorship on brand equity are inconclusive.

Another element of brand equity which is brand associations is defined as “anything linked in memory to a brand” (Aaker, 1991). According to Aaker, brand associations create value for brand by helping to process or retrieve information, by differentiating brand, by providing reasons to buy, by creating positive attitudes, and providing basis for brand extensions. Aaker defines the brand image as the set of brand associations which come together usually in some meaningful way. Keller, on the other hand, in his conceptualization of brand knowledge, defines it as the combination of brand awareness and brand image. Many studies were conducted to examine the effect of sponsorship on the sponsor’s image. Studies on this issue suggest that organizational involvement in sponsorship activities provide better public images compared to non involving companies (Javalgiet al., 1994). In addition, d’Astaus & Bitz (1995) suggest that philanthropic sponsorship type has a more powerful effect on the enhancement of the sponsors’ image than the commercial sponsorship. Furthermore, their findings indicate that long term sponsorship involvement has more positive impacts on the sponsor’s image than one time sponsorship activities, and consumer interest in the sponsored event has a positive impact on perceptions of the sponsors’ image (d’Astaus & Bitz, 1995). Stipp & Schiavone (1996) found that the impact of sponsorship to corporate image is the function of attitudes toward the Olympic sponsors, strength of sponsorship and recall and evaluation of advertisement. Existing literature shows that through sponsorship an event’s
image will become associated with the sponsoring brand’s image (Gwinner, 1997) such as a sporting event’s image will transfer to a sponsoring brand’s image when they are linked through sponsorship (Gwinner & Eaton, 1999), and sponsorship is perceived to make contribution to corporate image (Roy & Cornwell, 1999; Rifon et al., 2001). Finally, Dean (1999, 2002) found that sponsorship affects perceived corporate citizenship and corporate community relations. The existing literature on the effects of sponsorship on brand associations or brand image shows us that there is a conclusive result in favor of positive effects of it.

For the purpose of this study and considering the suggestions of existing literature, we recognize brand awareness and brand associations as a single dimension of brand equity.

2.2.3. Brand loyalty

The second important component of the effects of sponsorship is its conative effects such as impact on preference, buying intention and loyalty. Gardner & Shuman (1987), in their study examining the effect of sponsorship on purchase intention, report that 53% of public respondents expressed the positive impact of sponsorship on their intention to buy. Similarly, results that support the persuasive impact of the sponsorship are found in studies of Cornwell & Leonard (2005) and Madrigal (2000 & 2001). On the other hand, the study conducted to examine the effects of sponsorship on the preference of products of sponsoring companies showed no satisfactory results (Nicholls, 1994). The persuasive effect of the sponsorship in the literature is identified as the function of the strength of the link between sponsor and organization, duration of the link, gratitude of the consumer, and perceptual change (Crimmins & Horn, 1996). Analysis of the existing literature showed no studies focusing on the impact of the sponsorship directly on the brand loyalty.
2.3. Determinants of an effective sponsorship

One of the focuses of this study is the determination of factors which contribute to the perception of sponsorship as effective by consumers. There are many studies (Mescon & Tilson, 1987; Crimmins & Horn 1996; Hoek, 1999; Gwinner & Eaton, 1999; Speed & Thompson, 2000; Flaherty & Pappas; 2000; Quester & Thompson, 2001; Cornwell et al., 2001; Menaghan, 2001; Rifen et al., 2001; Roy & Cornwell, 2001; Jagre et al., 2001; Roy & Cornwell, 2003; Gwinner & Swanson, 2003) focusing on the determination of these success factors. The review of the existing literature shows that the success of sponsorship as a communication mix element has been affected by sponsor, sponee and consumer based factors.

2.3.1. Sponsor driven factors

Sponsor driven factors mainly include the characteristics of the sponsor companies and their approach to the sponsorship. Crimmins & Horn (1996), in their model on the persuasive effect of sponsorship, placed perceptual advantage as one of the contributing factors. They indicated that in order to have a perceptual advantage, sponsors should articulate the meaning / source of sponsorship to their audience. The authors proposed some steps to maximize the sponsorships' impacts which are working backwards, checking the fit, starting to communicate early, forging a link, and articulating the meaning of the activity to the audience. On their empirical study, Speed & Thompson (2000) proposed a model for determinants of sponsorship response which included sponsor factors (attitude to sponsor, sincerity of sponsor, ubiquity of sponsor) as the determinants of interest in, favorability and usage of sponsor products or services. The results of the research showed that attitude toward the sponsor, perceived sincerity of the sponsor and perceived ubiquity of the sponsor play a role in the interest in and usage intention of sponsor products or services. Similarly, attitude toward the sponsor and perceived sincerity of the sponsor play a role also in the favorability
of sponsor products or services. Another important sponsor factor is the brand equity where Roy & Cornwell (2003) found that sponsors with high brand equity were perceived as more congruent sponsors than sponsors with low brand equity even though the events sponsored were identical. The existing literature shows that sponsor driven factors are contributing factors to the effectiveness of the sponsorship.

2.3.2. Sponsee driven factors

Existing literature on the factors contributing to the effectiveness of the sponsorship shows that there are some sponsee based factors contributing to the success of sponsorship. Speed & Thompson (2000) proposed a model for determinants of sponsorship response which includes event factors (status of event, personal liking for event) as the determinants of interest in, favorability and usage of sponsor products or services. The results of the research showed that perceived status of the event plays a role in the development of interest in and favorability of sponsor products or services. Additionally, it is found that usage intention of sponsor products or services is affected by the personal liking of sponsored event.
2.3.3. Consumer based factors

Consumer based factors which contribute to the effectiveness of the sponsorship may be listed as the perceived fit between the sponsor and sponsee, consumer identification and level of involvement.

The fit between the sponsor and the sponsee, congruence, was the subject of many studies measuring the effect of it on the different dimensions of sponsorship outcomes such as attitude change, sponsorship response and image transfer.

The model for sponsorship effectiveness

- **Event factors**
  - Personal liking of event

- **Sponsor factors**
  - Attitude toward sponsor
  - Perceived sincerity of sponsor

- **Consumer factors**
  - Perceived congruence

**Outputs**
- Brand awareness
- Brand loyalty