The effects of sports sponsorship: A review and research agenda

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Investments in sponsorship strongly increased during the last decades. Therefore, it is valuable to determine which factors determine sponsorship effectiveness. This paper presents a literature review that forms the foundation for the development of an integrated framework of sponsorship outcomes. This paper extends previous conceptual work in that all kinds of sponsorship effects are considered, not only brand equity effects. Furthermore, recent findings and insights are incorporated. It can be concluded that although empirical research on sponsorship’s effects advanced, several areas remain unexplored, in particular the effects of sponsorship on the relations between sponsor and stakeholders. Opportunities for further research have been translated in specific research propositions.

Keywords  Sponsorship, Sports, Effectiveness, Literature review, Conceptual framework

Introduction

In the last decades sponsorship evolved from a merely philanthropic activity to a popular marketing vehicle (Cornwell, 2008). In line with the dramatic increase in sponsorship investments, interest in demonstrating the returns of sponsorship has been growing both in business practice and in academics. Additionally, there is an increased concern for making marketing expenditures more accountable (Verhoef & Leeflang, 2009), which makes it crucial for managers to be able to justify their marketing investments, including sponsorships. Therefore, exploration of the determinants of sponsorship effectiveness is important, but a generally accepted theoretical framework is not readily available.

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In particular, the objectives of this paper are twofold. First, we aim to provide an overview of sponsorship effects research, in a way that contributes further to our understanding of sponsorship outcomes. Based on this, we developed an integrated framework of sponsorship outcomes. Secondly, we identified future avenues for effects-based sponsorship research. The main focus is on sports sponsorship because this contains the largest portion of commercial sponsorships (IEG, the American sponsorship association, reports in their 2010 sponsorship market overview that 68% of sponsorships are investments in sports).

This paper focuses particularly on research of sponsorship effects, including all different target groups of sponsorship. In this regard, the study differs from other review articles on sponsorship, which focused on all kinds of sponsorship research (e.g., Cornwell & Maignan, 1998; Walliser, 2003), or solely on customer-based brand equity effects of sponsorship (e.g., Gwinner, 1997; Poon & Prendergast, 2006). Furthermore, the focus of this review is on the outcomes of sponsorship and the different factors influencing these outcomes, rather than the different consumer processing mechanisms, which already have been comprehensively described by Cornwell, Weeks and Roy (2005). Additionally, several years have passed since most previous review papers (e.g. Cornwell, Weeks, et al., 2005; Walliser, 2003) have been published, while the number of publications on sponsorship grew, so this paper adds recent insights.

The remainder of this paper is structured as follows. First, we elaborate on the definition of sponsorship and the differences with traditional advertising. Then, our conceptual framework is presented and the different components are discussed in further detail. Finally, directions for further research are identified and specified in research propositions.

Defining sponsorship

One of the definitions of sponsorship most frequently adopted, was proposed by Meenaghan (1983, p. 9): “….sponsorship can be regarded as the provision of assistance either financial or in-kind to an activity by a commercial organization for the purpose of achieving commercial objectives”. An important implication is that sponsorship is directed at achieving commercial goals so is distinguished from activities with a purely philanthropic character (donations).

Gardner and Shuman (1988, p. 44) suggested a more specific notion with regard to sponsorship objectives: “Sponsorship may be defined as investments in causes or events to support corporate objectives (for example, by enhancing corporate image) or marketing objectives (such as increasing brand awareness)”. This implies that sponsorship can be a strategic as well as a tactical instrument.

Lastly, a more recent extension towards a definition of “sponsorship-linked marketing” was presented by Cornwell (1995, p. 15): “the orchestration and implementation of marketing activities for the purpose of building and communicating an association to a sponsorship”. Following this definition, signing a sponsorship contract does not automatically mean that the link between the sponsor and the sponsored object is set in consumers’ minds.
Thus, complementary marketing activity is viewed as crucial in reaping the benefits of sponsorship.

**Differentiating sponsorship**

Advertising and sponsorship can be considered complementary elements in the marketing communication mix, both directed at achieving that same goal, namely to evoke target group responses. Moreover, advertising is often used to leverage a sponsorship and communicate the sponsorship connection (Cornwell, Weeks, et al., 2005). Indeed, it has been recognised that the impact of sponsorship is greatest when it is part of an integrated communication strategy (Cornwell, Weeks, et al., 2005; Walliser, 2003) and when it is leveraged properly (Quester & Thompson, 2001). Although complementary, there are some important differences between advertising and sponsorship, which should be taken into account by practitioners.

First, advertising and sponsorship differ with regard to message content and tone of voice (Meenaghan, 1991; Walliser, 2003). As Walliser (2003, p. 9) stated: “advertising messages are generally more direct, explicit and can be more easily controlled”. In general, sponsorship may be considered more risky for the sponsor than advertising because a second party (the sponsored property) is involved (Speed & Thompson, 2000), whose actions cannot be completely controlled.

Additionally, there is a difference in audience reaction between the two instruments. More specifically, in the case of sponsorship the activity itself is expected to be appreciated, because of fans’ support of a property, whereas the target audience may be more sceptical towards the practice of advertising (McDonald, 1991; Meenaghan, 1991). However, nowadays consumers tend to realise that sponsorship also has a commercial character, which creates a more critical attitude (Meenaghan & Shipley, 1999). Practitioners should realise that sport fans may be sensitive to commercial exploitation of sport properties, especially when commercial objectives seem to conflict with the best interest of the sport events and athletes (Meenaghan & Shipley, 1999; Zhang, Won, & Pastore, 2005). Thus, sponsors should be careful with explicit commercial exploitation.

A final characteristic of sponsorship that according to some scholars contributes to its uniqueness is the reach and scope: sponsorship has the potential to cross borders, to reach audiences that cannot be reached with advertising and to reach several target groups and achieve multiple objectives at a time (Meenaghan, 1983; Parker, 1991).

**Framework**

Accountability of marketing activities is a crucial issue in literature and in business practice (Rust, Lemon, & Zeithaml, 2004; Verhoef & Leeflang, 2009). Therefore, it is valuable to develop an understanding of the outcomes of sponsorship and factors influencing these outcomes. Figure 1 displays our integrated model framework of sponsorship effects, an extension of the framework designed by Cornwell, Weeks, et al. (2005) and inspired by the
Figure 1 Integrated framework of sponsorship effects

**Sponsorship market conditions**
- Presence and image of co-sponsors
- Ambush activity
- Performance of the sponsored object

**Sponsorship management factors**
- Exposure
- Leverage
- Duration
- Integration in marketing policy

**Individual differences**
- Involvement
- Judgment of fit
- Attitude towards sponsorship
- Perceived sincerity of the sponsor
- Familiarity with sponsoring brand
- Demographics

**Sponsorship processing**
- Unconscious, mere exposure (implicit memory)
- Sponsorship awareness (cognition)
- Attitude towards the sponsorship (affect)

**Sponsorship equity**
Customer-based brand equity:
- Brand awareness (cognition)
- Brand image (cognition)
- Brand attitude/preference (affect)
- Brand attachment/commitment (affect)
- (Intent to) purchase (conation)

Staff relations:
- Company pride (affect)
- Corporate identification (affect)
- Loyalty (conation)
- Attitude and job application intention (potential employees) (affect/conation)

Relations with other stakeholders:
- Trust/commitment (affect)
- Gratitude/goodwill (affect)
- Reciprocal behavior (conation)
- Loyalty (conation)

Shareholder value
product placement framework of Balasubramanian, Karrh and Patwardhan (2006). The model consists of four components, which include sponsorship market conditions, sponsorship management factors, processing of the sponsorship and sponsorship outcomes (sponsor equity).

Sponsorship may involve different target audiences and objectives and, thus, create value for the sponsor (i.e., sponsor equity) in different ways. Therefore, we grouped sponsorship outcomes accordingly in our framework. From previous work of Cornwell (1995) and Meenaghan (2005), we derived four kinds of sponsorship outcomes. These include the creation of customer-based brand equity, strengthening relations with employees, building on relations with other stakeholders (customers and important decision makers such as politicians, suppliers, media, etc.) and shareholder value.

In the proceedings of this paper, we discuss the elements from our framework and review relevant previous literature. The aim of the next discussion of previous sponsorship effects research is not to be comprehensive, that is, list all publications, but rather to discuss typical studies in the field and draw general conclusions. For variable relationships that have been infrequently investigated in a sponsorship context, we draw on research in allied fields such as advertising and relationship marketing literature.

**Sponsorship market conditions**

As Fahy, Farrelly and Quester (2004) argue, the creation of competitive advantage in the sponsorship market is a necessary condition for the success of sponsorship. The conditions in the sponsorship market are given when a sponsorship manager makes the decision to engage in a particular sponsorship. Therefore, it is crucial for sponsorship managers to investigate sponsorship market factors before entering an agreement.

An important issue is the presence of other sponsors, which may result in clutter, making it more difficult for the target audience to note the sponsor and recall the sponsorship linkage (Cornwell, Relyea, Irwin, & Maignan, 2000). Moreover, image transfer may take place between sponsors of the same object, as has been demonstrated by Carrillat, Harris and Lafferty (2010). This transfer may turn out favourably or unfavourably, so sponsor managers should take into account the image of co-sponsors before entering an agreement in which other sponsors are already involved.

Moreover, ambush activity is an important risk for a sponsor. Ambushers are nonofficial sponsors trying to reap the benefits of an event by creating a perceived association between their organisation and the sponsored object (e.g., Pham & Johar, 2001). These efforts might undermine sponsorship value significantly as consumers are often confused when trying to recall or recognise official sponsors (Quester, 1997; Séguin, Lyberger, O'Reilly, & McCarthy, 2005).

Lastly, the (expected) sportive performance of the sponsored object can be an important factor influencing sponsorship outcomes. Pope, Voges and Brown (2009) found that positive information regarding team performance positively affects consumers’ perception of sponsoring brand quality, whereas negative performance information influences brand quality perceptions in a negative way. With regard to shareholder value, several studies indicate that the expected sportive performance of the sponsored object is an important
determinant of shareholders’ reactions to a sponsorship announcement (e.g., Clark, Cornwell, & Pruitt, 2002).

**Sponsorship management factors**

Next to the given conditions in the sponsorship market, some important factors influencing sponsorship outcomes are under control of sponsorship managers when entering and managing a sponsorship agreement. Generally, many forms and types of sponsorships exist, so selection of a sponsorship property is a crucial first decision. Sponsored objects in themselves are diverse, and, therefore, may involve different degrees and kinds of risk (O’Reilly & Foster, 2008). It has been argued that sponsoring individuals provides the highest degree of risk (Walliser, 2003), whereas certain sports, such as mountaineering, may be more risky for sponsors than others (O’Reilly & Foster, 2008). Sponsors should take this into consideration when entering an agreement.

After selecting a property, the sponsorship contract should be designed and negotiated. Contracts vary with regard to the offered level of exclusivity, time horizon (long-term versus one shot), the level and type of sponsorship exposure (i.e., billboards, clothing, name-mentioning), the possibility for hospitality arrangements and the amount of financial investments. Sponsorship managers need to consider these factors in the light of their sponsorship objectives.

After the agreement has been signed, sponsorship managers should decide how to exploit the linkage. More specifically, sponsorship leverage and the integration with other marketing communication instruments, should be considered.

In all, we identified four important determinants of sponsorship outcomes, for which sponsorship managers are directly responsible. These include the level of exposure, the degree of leverage, the duration of the sponsorship and the level of integration with marketing policy.

**Exposure**

The level of exposure to the sponsor-sponsee linkage is an important factor influencing sponsorship awareness (Johar, Pham, & Wakefield, 2006; Wakefield, Becker-Olsen, & Cornwell, 2007). The more an individual is exposed to the sponsorship link, the more likely the link will be encoded in memory (Johar et al., 2006). Furthermore, according to the mere-exposure hypothesis, repeated exposure to the sponsorship message evokes favourable affective responses (Herrmann, Walliser, & Kacha, 2011; Olson & Thjømøe, 2003).

**Leverage**

Sponsorship leverage involves communicating the sponsorship agreement and developing activities to profit from it. A sponsor should reserve substantial additional resources for leverage to be able to fully profit from signing a sponsorship agreement (Fahy et al., 2004). It has been found that sponsors who invest in proper leverage (additional promotion and communication on top of exposures that are part of the sponsorship agreement) of their sponsorship achieve additional exposure and thereby higher levels of
sponsorship awareness (Quester & Thompson 2001; Wakefield et al., 2007). With regard to higher-level processing of sponsorship, Weeks, Cornwell and Drennan (2008) found that sponsorships with online leverage evoke more favourable responses than sponsorships that are not activated.

**Sponsorship duration**

It is generally believed that long term sponsorships create more favourable target group responses than short term sponsorships (Cornwell, Roy & Steinard II, 2001) because consumers are more likely to remember the sponsorship and because they perceived the sponsor as more committed. Several authors (e.g., Pitts & Slattery, 2004; Walraven, Bijmolt, & Koning, 2011) indeed found that sponsorship duration positively influences cognitive processing of the sponsorship, so sponsorship awareness levels. Furthermore, Pope et al., (2009) reported that in the long run, sponsorship enhances the perceptions of product brand quality, depending on the performance of the sponsored entity.

**Integration with marketing policy**

A main argument for Integrated Marketing Communication (IMC) strategy is that a message is more likely to be recalled when it is received from a variety of media (Stammerjohan, Wood, Chang, & Thorson, 2005). For sponsorship, this implies that it is more effective when integrated with other marketing activities. Furthermore, Speed and Thompson (2000) found a significant influence of perceived ubiquity of the sponsor (that is the perception of consumers of the degree of focus in sponsorship activities) on consumer’s affective and conative reactions to the sponsorship. It seems that sponsors who are involved in many different sponsorships tend to evoke less favourable responses because they are perceived as less committed than sponsors with a clear focus.

**Individual difference factors**

The extent to which favourable target group responses are achieved, depends on several individual characteristics of the target group. These factors include individual involvement, attitude towards sponsorship, perceived sincerity of the sponsor, familiarity with the sponsoring brand, perceived fit and demographic characteristics. A sponsorship manager should invest in properly researching these factors.

**Involvement**

Shank and Beasley (1998, p. 436) described the concept of sports involvement as “the perceived interest in and personal importance of sports to an individual”. Not only sport category involvement is an important predictor of responses to the sponsorship, the attitude toward the particular sponsored object within the sports category can be considered equally important (Olson, 2010). These concepts are different in that high involvement with the sports category does not automatically mean high involvement with the sponsored object. For example, someone may be a fan of soccer but can be more involved with a specific soccer team or player than with another.
In a sponsorship context, the most interesting aspect of involvement consists of the resulting exposure to the sponsorship. Shank and Beasley (1998) found that an individual’s level of sports involvement is related to the number of hours viewing sports on television, reading about sports, attending events and participation. This implies that consumers, who are involved in a sponsored sport, are more likely to be confronted with the sponsorship than uninvolved consumers, so they are more likely to recall the sponsor-sponsee link. Moreover, high involvement leads to stronger cognitive processing of sponsorships since highly involved consumers are more willing to engage in active processing of information regarding the sport and, thus, more likely to pay attention to sponsorships (Wakefield et al., 2007). With regard to higher-level processing, highly involved consumers respond more favourably to sponsorship than less involved consumers (Gwinner & Bennett, 2008; Ko, Kim, Claussen, & Kim, 2008; Olson, 2010).

Fit
It has been generally accepted that when a sponsor and a sponsored object are perceived as a fitting combination by the target audience, the sponsorship evokes more favourable responses. It has been demonstrated that consumers tend to evoke perceived relatedness as an heuristic to recall the sponsor-sponsee linkage, when it cannot be retrieved directly from memory (Pham & Johar, 2001; Wakefield & Bennett, 2010), so when the sponsor and sponsored object are perceived as fitting together, the probability of sponsorship awareness is higher. Furthermore, several scholars found that perceived fit is an important factor determining affective and conative responses to sponsorship (e.g., Gwinner & Eaton, 1999; Simmons & Becker-Olsen, 2006) and others reported that fit favourably influences shareholders’ reactions to sponsorship (Clark, Cornwell, & Pruitt, 2009).

Attitude toward sponsorship
In advertising research, it has been found that one’s general scepticism towards the practice of advertising negatively influences the attitude towards an ad (Balasubramanian, et al., 2006). Likewise, individual attitude towards the practice of sponsorship can affect one’s reactions to the sponsorship. In this respect, Zhang et al. (2005) found that individual attitude to commercialisation in sports impacts intention to purchase the sponsor’s products. Furthermore, Meenaghan and Shipley (1999) proposed that in highly commercialised sponsorship contexts, sponsorship can be perceived as similar to advertising and, therefore, creates less favourable affective responses among the sceptical target audience.

Perceived sincerity of the sponsor
Several researchers found that individual beliefs about the sponsor’s motives for engaging in sponsorship positively influence one’s attitude towards the sponsorship and resulting affective and conative responses (D’Astous & Bitz, 1995; Olson, 2010; Speed & Thompson, 2000). In particular, it has been suggested that sponsors who are perceived to be sincere in their sponsorship activity and committed to the sponsored object, evoke more favourable responses (Olson, 2010; Speed & Thompson, 2000).
Familiarity with the sponsoring brand

Familiarity with the sponsoring brand is found to be an important determinant of consumers’ cognitive processing of sponsorship. Consumers are better able to identify sponsoring brands that are familiar to them (Pestana Barros & Silvestre, 2006) and prominent brands are more likely to be recalled as a sponsor than non-prominent brands (Johar & Pham, 1999; Pham & Johar, 2001).

Furthermore, previous research pointed out the importance of pre-sponsorship attitude towards the sponsor in affective processing of the sponsorship. Specifically, consumers who have favourable associations and/or experiences with the sponsoring organisation are more likely to develop a favourable attitude towards the sponsorship and to evoke favourable responses to the sponsor (Chanavat & Martinent, 2009; Olson, 2010; Speed & Thompson, 2000).

Then, Carrillat, Lafferty and Harris (2005) suggest that, for familiar brands, associations are more structured in memory and therefore relatively stable, so the effect of sponsorship on consumers’ attitudes and purchase intentions is stronger for a low as opposed to a high familiarity brand. Likewise, the findings of Dean (2002) indicate that the degree of image transfer depends on the strength of associations with the sponsoring brand, in that pre-existing mild or neutral opinions about the sponsor are more likely to change than strong opinions.

Thus, it may be more difficult for an unknown brand than for a well-known brand to make consumers aware of their sponsorships. However, for unknown brands it may be more likely that image transfer occurs, because their brand image is less structured and more likely to change (or develop) due to sponsorship. For sponsors with a strong favourable brand image, sponsorship may serve as a confirmation of existing favourable consumer opinions. Sponsorship can be considered a less suitable instrument when the goal is to change strongly negative brand perceptions, as these opinions are less likely to change.

Demographic characteristics

Several demographic characteristics have been found to affect cognitive processing of sponsorship. Specifically, gender and education level have been found to significantly affect sponsorship awareness, in that males typically show a higher ability to recall sponsors (Kinney, McDaniel, and DeGaris 2008; Stipp and Schiavone 1996) and higher educated persons demonstrate higher levels of correct sponsor identification than people with a low education level (Dekhil 2010; Kinney et al., 2008). Moreover, age has a negative effect on sponsorship awareness, so younger people are more likely to reproduce the sponsor-sponsee link than older persons (Kinney et al., 2008).

Sponsorship processing

Our framework assumes that sponsorship market, sponsorship management and individual variables determine the degree to which a sponsorship is processed. Generally, sponsorship awareness is viewed as critical in assessing sponsorship effectiveness (Johar, et al., 2006). The intuition is that the target group needs to be at least aware of the sponsorship before their attitudinal
and behavioural intentions toward the sponsor will possibly be enhanced. This premise has led several scholars to investigate which factors influence sponsorship awareness; table 1 provides an overview of this research.

In our integrated framework, we follow Simmons and Becker-Olsen (2006) and Olson (2010), who suggest that individual attitude towards a particular sponsorship is a significant mediator of the relation between sponsorship specific factors (for example, perceived fit, involvement and brand familiarity) and consumers’ affective and conative responses toward the sponsor. Table 2 presents the specific factors influencing the degree of affective and conative processing of the sponsors. From the studies listed, only Simmons and Becker-Olsen (2006) and Olson (2010) investigated sponsorship affective and conative outcomes with attitude towards the sponsorship as a mediator, the other studies investigated direct relations.

Although previous research has been concentrated mainly on conscious and explicit processing of sponsorship information, it is likely that sponsorship also works below the conscious level (Harvey, Gray, & Despain, 2006). More specifically, affect formation and product choice might occur in the absence of conscious processing of the sponsorship, so solely due to exposure to the brand name, as demonstrated by Olson and Thjømøe (2003) and Herrmann et al. (2011).

### Table 1 Cognitive processing of sponsorship

<table>
<thead>
<tr>
<th>Variable influencing sponsorship awareness</th>
<th>Studies: author(s), year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presence of other sponsors (clutter) (-)</td>
<td>Cornwell, Relyea, Irwin &amp; Maignan (2000)</td>
</tr>
<tr>
<td>Ambush activity (-)</td>
<td>Quester (1997); Séguin, Lyberger, O’Reilly &amp; McCarthy (2005)</td>
</tr>
<tr>
<td>Exposure (+)</td>
<td>Grohs, Wagner &amp; Vsetecka (2004); Johar, Pham &amp; Wakefield (2006); Wakefield, Becker-Olsen &amp; Cornwell (2007)</td>
</tr>
<tr>
<td>Leverage (+)</td>
<td>Quester &amp; Thompson (2001); Wakefield, Becker-Olsen &amp; Cornwell (2007)</td>
</tr>
<tr>
<td>Duration (+)</td>
<td>Pitts &amp; Slattery (2004); Simmons &amp; Becker-Olsen (2006); Walraven, Bijmolt &amp; Koning (2011)</td>
</tr>
<tr>
<td>Integration with marketing (communication) policy (+)</td>
<td>Stammerjohan, Wood, Chang &amp; Thorson (2005): <em>advertising context</em></td>
</tr>
<tr>
<td>Involvement (+)</td>
<td>Grohs, Wagner &amp; Vsetecka (2004); Ko, Kim, Claussen &amp; Kim (2008); Kim &amp; Kim (2009)</td>
</tr>
<tr>
<td>Fit (+)</td>
<td>Pham &amp; Johar (2001); Koo, Quarterman &amp; Flynn (2006); Wakefield &amp; Bennett (2010)</td>
</tr>
<tr>
<td>Familiarity with the sponsoring brand (+)</td>
<td>Johar &amp; Pham (1999); Pham &amp; Johar (2001): <em>brand prominence</em></td>
</tr>
<tr>
<td>Education level (+)</td>
<td>Kinney, McDaniel &amp; DeGaris (2008); Dekhil (2010)</td>
</tr>
<tr>
<td>Age (-)</td>
<td>Kinney, McDaniel &amp; DeGaris (2008)</td>
</tr>
</tbody>
</table>
In all, this leads to a processing continuum with on the one side unconscious processing of the sponsorship (sponsorship implicit memory effects) and on the other high-level processing of the sponsorship. This is similar to processing of product placements, as described by Balasubramanian et al. (2006).

**Sponsorship outcomes**

**Customer-based brand equity**

The creation of brand equity is the main objective for most sponsorships (Crompton, 2004). Customer-based brand equity has been defined as "the differential effect of brand knowledge on customer response to the marketing of a brand" (Keller, 1993, p. 8). Cornwell, Weeks et al. (2005) distinguish in this respect among three levels of sponsorship brand equity outcomes: cognitive (awareness, image), affective (liking, preference) and behavioural responses (purchase intent, purchase commitment and behaviour).

**Cognitive outcomes of sponsorship**

With regard to cognitive processing of sponsorship, several authors found a positive effect of sponsorship on brand awareness (e.g., Bennett, 1999; Nicholls, Roslow, & Dublish, 1999). Brand awareness effects are naturally more likely to occur when sponsorship exposure and awareness are high, so exposure and other factors influencing sponsorship awareness are important to consider for managers aiming to build brand awareness.

### Table 2 Affective and conative processing of sponsorship

<table>
<thead>
<tr>
<th>Variables influencing sponsorship affective and conative processing</th>
<th>Studies: author(s), year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leverage (+)</td>
<td>Weeks, Cornwell &amp; Drennan (2008)</td>
</tr>
<tr>
<td>Perceived ubiquity of the sponsor, degree of focus in sponsorship activity (+)</td>
<td>Speed &amp; Thompson (2000)</td>
</tr>
<tr>
<td>Perceived sincerity of the sponsor (+)</td>
<td>Speed &amp; Thompson (2000); Dees, Bennett &amp; Villegas (2008); Olson (2010)</td>
</tr>
<tr>
<td>Involvement (+)</td>
<td>Gwinner &amp; Bennett (2008); Ko, Kim, Claussen &amp; Kim (2008); Olson (2010): <em>involvement with sports category</em></td>
</tr>
<tr>
<td></td>
<td>Speed &amp; Thompson (2000); Levin, Beasley &amp; Gilson (2008); Olson (2010): <em>involvement with sponsored object</em></td>
</tr>
<tr>
<td>Fit (+)</td>
<td>Speed &amp; Thompson (2000); Simmons &amp; Becker-Olsen (2006); Gwinner &amp; Bennett (2008); Dees, Bennett &amp; Ferreira (2010)</td>
</tr>
<tr>
<td>Attitude toward sponsorship (+)</td>
<td>Roy &amp; Graeff (2003); Zhang, Won &amp; Pastore (2005): <em>attitude towards commercialization in sports</em></td>
</tr>
<tr>
<td>Pre-sponsorship attitude towards the sponsor (+)</td>
<td>Speed &amp; Thompson (2000); Chanavat &amp; Martinent (2009); Olson (2010)</td>
</tr>
</tbody>
</table>
Brand image has been defined as “perceptions about a brand as reflected by the brand associations held in memory” (Keller, 1993, p. 3). As with celebrity endorsement, when a sponsor and a sponsored object become linked in consumers memory, either consciously or unconsciously, the image of the sponsee is expected to be transferred to the sponsor (e.g., Gwinner & Eaton, 1999), either in the form of specific brand associations (cognitive outcome) or in a favourable overall evaluation, thus a positive change in attitude towards the sponsor.

Despite the importance of image enhancement as a sponsorship objective, academic findings are mixed (Walliser, 2003). Explanations for this include the large amount of moderating factors and the variety in research and analysis methods of previous studies. In all, scholars seem to agree on the potential enhancement of brand image as a result of sponsorship but there are several factors present that may enhance and/or hinder the image transfer process.

The discussion above translates into the following conclusion regarding sponsorship’s cognitive effects:

**Generalisation 1:** sponsorship can affect consumers’ cognitive responses to the sponsor’s brand (brand awareness and brand image) when consumers become aware of the sponsorship. Factors positively influencing sponsorship awareness include the level of exposure, sponsorship leverage, integration with other marketing communication instruments, individual involvement with the sport and sponsored object, sponsorship duration and perceived fit. The presence of other sponsors and ambushers may result in clutter and confusion, which negatively affects sponsorship awareness. Furthermore, image transfer (which can be positive and negative) may occur from one sponsor to another. With regard to familiarity with the sponsoring brand, this factor is positively related to sponsorship awareness, but it may hinder image transfer.

**Affective and conative outcomes of sponsorship**

Attitude toward the sponsor involves a general evaluation from the consumer’s part: “a consumer’s overall evaluation of an organisation sponsoring the event” (Keller, 1993, p. 4). Naturally, this evaluation is partly based on an individual’s specific associations with the brand, so related to brand image. Several variables can be identified as important factors in consumers’ higher level processing of sponsorship, see table 2.

Furthermore, sponsorship may help companies in demonstrating to their target groups that they share their interests and, therefore, stimulate identification with the sponsor’s brand (Cornwell & Maignan, 1998). Chanavat and Martinent (2009) indeed found that sponsorship can contribute to a consumer’s attachment to the sponsor’s brand. Additionally, Levin, Beasley and Gamble (2004) report that NASCAR fans exhibit greater levels of attitudinal brand loyalty towards sponsoring brands than non-fans. Factors influencing this process are similar to the factors determining sponsorship effects on brand attitude.

With regard to conative outcomes of sponsorship, the relation between sponsorship and consumer purchase intentions has been investigated most frequently. Purchase intentions may be viewed as the link between attitude
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and behaviour (Dees, Bennett, & Villegas, 2008). Various scholars found a significant relation between a consumer’s attitude towards a sponsor and their intentions to purchase the sponsor’s product (e.g., Chanavat & Martinent, 2009; Gwinner & Bennett, 2008; Speed & Thompson, 2000), so factors influencing attitude towards the sponsor also affect consumers’ purchase intent. Furthermore, Pope and Voges (2000) and Pestana Barros and Silvestre (2006) found support for a direct relation between sponsorship awareness and purchase intentions.

In summary, the following conclusion can be drawn regarding sponsorship’s affective and conative outcomes:

**Generalisation 2:** sponsorship can affect consumers’ affective (brand attitude, preference, attachment and loyalty) and conative (purchase intentions) response to the sponsor’s brand when consumers become aware of the sponsorship and hold a favourable attitude towards the sponsorship (higher level processing). Factors positively influencing this process include perceived fit, individual involvement with the sport and sponsored object, general attitude towards sponsorship, pre-sponsorship brand equity, and favourable beliefs about the sponsor’s motives.

**Strengthening relations with employees**

Internal marketing and internal branding are considered important for an organisation’s success (e.g., Grönroos, 1981; Mitchell, 2002). The premise is that committed and satisfied employees are more motivated to achieve corporate objectives than less committed employees (Grönroos, 1981). Furthermore, employees have an important role in creating value for a customer, especially in service organisations (Bansal, Mendelson, & Sharma, 2001) and they have a significant influence on how the brand is perceived by different stakeholders (Punjaisri & Wilson, 2011).

Internal branding is aimed at “ensuring that the brand promise is transformed by employees into reality” (Punjaisri & Wilson, 2011, p. 1523). Punjaisri and Wilson (2011) found that internal branding affects employees’ brand identification, commitment and loyalty, and that this relationship is moderated by several individual variables (age, education and length of service) and the level of job satisfaction. Likewise, sponsorships, when used as an internal branding vehicle, have the potential to contribute to employees’ identification and commitment with the corporate brand, their level of company pride and ultimately loyalty (Gardner & Shuman, 1988; Rosenberg & Woods, 1995). We expect that the moderating variables (i.e., age, education, length of contract and job satisfaction) found by Punjaisri and Wilson (2011), as well as the factors influencing consumers’ attitude towards the sponsor (such as perceived fit, attitude towards sponsorship and involvement), play an important role in employees’ perception of and reaction to the sponsorship.

Additionally, sponsorships may assist in staff recruitment by positively influencing the level of corporate awareness and favourable associations among potential employees (Meenaghan, 1983), provided that potential employees are exposed to and aware of the sponsorship.

Despite the potential value from the sponsor’s perspective, the effects of sponsorship on relations with (potential) employees have not been
researched extensively. Hickman, Lawrence and Ward (2005) explored the relationship between sponsorship and employee morale and reported a positive correlation between individual sponsorship affinity and individual commitment and willingness to satisfy customers. While this study is a useful starting point for further research in the area, it does not provide a solid ground for general conclusions on the effectiveness of sponsorship as an internal marketing vehicle. Therefore, we developed two propositions for further research on this topic, based on the former discussion. These research propositions will be presented in the last section of this paper.

Building relationships with customers and other stakeholders

The belief that building and sustaining relationships with customers is in the end more valuable than short-term acquisition, has been accepted widely (e.g., Rust, Zeithaml, & Lemon, 2000). Relationship marketing with customers (and also building relations with other stakeholders), in particular through hospitality arrangements in a business-to-business context, has become an important sponsorship application (Clark, Lachowetz, Irwin, & Schimmel, 2003).

A recent study by Palmatier, Burke Jarvis, Bechkoff and Kardes (2009) demonstrates that investments in relationship marketing enhance both customer trust and commitment, which in turn stimulate purchase intentions and market performance of the firm. The authors also found that the relationship is mediated by feelings of gratitude with customers and their reciprocal behaviours. Gratitude is expected to be equally important in a sponsorship context, often incorporated in the term goodwill (Meenaghan, 2001).

The value of sponsorship in relationship marketing can take several forms. First, as in the study of Palmatier et al. (2009), stakeholders invited for sponsorship related hospitality programs might develop feelings of gratitude towards the sponsor, as a result of the invitation, and consequently engage in reciprocal behaviours. Secondly, fans of the sponsored property may value the sponsor’s support in itself and generate feelings of gratitude towards the sponsor (Meenaghan, 2001). We expect that a positive attitude towards the sponsorship is an important mediating condition, so factors that have been found influencing consumers’ attitude towards the sponsorship, are also important determinants of stakeholders’ reactions to the sponsorship.

Despite the frequent presence of relationship marketing activities in sponsorship practice, the effects of sponsorship on relations with customers (and other stakeholders) have not been well documented in previous research. Therefore, we developed a proposition for further research, which will be presented in the last section of this paper.

Shareholder value

Several researchers addressed the issue of measuring sponsorship returns by investigating the effect on stock prices (e.g., Clark, et al., 2009; Pruitt, Cornwell, & Clark, 2004). The underlying assumption is that stock prices immediately reflect investors’ reactions to newly available information in the marketplace. If investors view sponsorships as fruitful investments, it is believed that stock prices should rise when a company announces investment in sponsorship.
Applying the event study analysis technique, several authors conclude that sponsorship announcements are positively received by investors (e.g., Miyazaki & Morgan, 2001; Pruitt, et al., 2004), whereas other scholars report contrasting results. Thus, it seems that the impact of sponsorships on shareholder wealth differs for sponsoring firms and projects. Previous studies point to several factors that determine the change in stock returns as a result of sponsorship announcement.

Regarding sports sponsorships there is some evidence that the expected performance (i.e., winning) of the sponsored entity (team or individual), is positively related to the stock price increase as a result of the sponsorship announcement (Clark, et al., 2002; Pruitt, et al., 2004). Furthermore, the level of perceived fit between the sponsor and the sponsored property, as well as the length of the signed sponsorship agreement seem to be important factors determining investors’ reactions (e.g. Clark, et al., 2002; Clark, et al., 2009; Cornwell, Pruitt, & Clark, 2005). Moreover, Clark et al. (2002) concluded that sponsorship programs of high technology firms receive more favourable investor reactions than programs of traditional firms. They hypothesise that this effect occurs because it is difficult for investors to assess the (financial) conditions within high technology firms, meaning riskier business, so that sponsorship serves as a mean to decrease the investment insecurity. This finding has been replicated by Cornwell Pruitt et al. (2005) and Clark et al. (2009).

To summarise the previous discussion, we formulated generalisation three:

**Generalisation 3**: sponsorship announcements positively influence shareholders’ wealth but the effects differ depending on sponsor and sponsor program specific factors, which include fit, expected performance of the sponsored entity (in the case of competition sports), the degree of risk in the sponsor’s branch and the duration of the agreement.

**Discussion and directions for future research**

This article provides an integrated framework of sponsorship outcomes. Four different channels through which sponsorship creates value for a firm have been distinguished: building customer-based brand equity, internal marketing, building relationships with stakeholders, and increasing shareholder’s wealth. An important determinant of sponsorship outcomes is the degree of processing of the sponsorship, where unconscious, low-level and high-level processing all may result in specific sponsorship outcomes.

In all, sponsorship outcomes depend on the objectives the sponsor intends to achieve, as well as on the quality and execution of the sponsorship program (e.g., the level of exposure and leverage), which should be adapted according to sponsorship objectives and target group. Furthermore, the conditions in the sponsorship market, as the presence of other sponsors and ambushers, and individual characteristics of the target group, affect sponsorship processing and sponsorship outcomes significantly. Therefore, a firm deciding to get involved in sponsorship and selecting a property to sponsor, should invest in properly researching and managing these different factors.
Previously published quantitative studies on sponsorship effects can be categorised in two main streams, namely research of sponsorship’s brand equity effects and studies that investigate sponsorship’s effects on shareholder value. This implies that several research areas remain unexplored. We selected several primary opportunities for further research and formulated specific research propositions, which are presented in Table 3.

Although sponsorship can play an important part in building relationships with customers, employees and other stakeholders, and firms increasingly recognise this sponsorship role, the effects have hardly been researched empirically. This makes it a primary research opportunity. For this reason we formulated research propositions one, two and three in Table 3.

Academic literature on sponsorship’s effectiveness consists of many event studies in which just one component of the sequence of communication effects of sponsorship is investigated, although there are a few exceptions (e.g., Chanavat & Martinet, 2009; Ko, et al., 2008; Speed & Thompson, 2000). Furthermore, several methodological limitations have been identified by Olson (2010) including the sparseness of multivariate techniques, frequent use of student samples and fictional sponsorship contexts. We would welcome further empirical research investigating the relations between various sponsorship outcomes in (international) field settings and/or with representative samples. Furthermore, more research on implicit memory effects of sponsorships would be valuable, as formulated in proposition four.

Table 3 Propositions for further research

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<tr>
<th>Nr.</th>
<th>Research proposition</th>
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<tr>
<td>1</td>
<td>To the extent that employees are aware of and favourably disposed to sponsorship(s) of their employer, they will exhibit higher levels of company pride, corporate identification and organisational commitment as well as a stronger motivation to accomplish corporate objectives.</td>
</tr>
<tr>
<td>2</td>
<td>To the extent that potential employees are aware of and favourably disposed to sponsorship(s) of an employer, they will exhibit a more positive attitude towards working for the firm as well as a higher intention to apply for a job.</td>
</tr>
<tr>
<td>3</td>
<td>To the extent that customers (and other stakeholders) of a firm are aware of, favourably disposed to, and/or, participating in sponsorship activities of the organisation, they will exhibit higher levels of goodwill and gratitude towards the sponsor, as well as engage more often in reciprocal behaviours.</td>
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<tr>
<td>4</td>
<td>Sponsorship exposure has a direct influence on an individual’s attitude towards the sponsor and resulting purchase intentions without him/her being consciously aware of the sponsorship agreement.</td>
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<td>5</td>
<td>A positive longitudinal relationship exists between sponsorship expenditures and sponsor’s sales levels and market share.</td>
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<tr>
<td>6</td>
<td>When a sponsorship contract is ended by the sponsor, this has a negative effect on the sponsoring brand associations and/or attitude towards the sponsor, which translates in lower purchase intentions.</td>
</tr>
<tr>
<td>7</td>
<td>When a sponsorship contract is ended by the sponsor, this has a negative effect on the share price of the sponsor.</td>
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<tr>
<td>8</td>
<td>Investors’ reactions to the announcement of a sponsorship agreement are negatively related to the degree of perceived risk involved in a particular sponsorship.</td>
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With regard to consumers’ behavioural reactions, research of the relationship between sponsorship and observed sales levels has been scarce up to this point. As lately, organisations become more and more data-driven and customer relationship management systems develop further, it should be possible to investigate the relation between sponsorship expenditures and sales levels longitudinally, as has been frequently done for advertising (e.g., Mela, Gupta, & Lehmann, 1997; Zhou, Zhou, & Ouyang, 2003). This translates in research proposition five.

Another opportunity for further investigation involves the question of what happens to a sponsor’s brand if a sponsorship agreement is ended. Levin, Beasley and Gilson (2008) found that fans are more likely to buy from a current sponsor, but less likely to buy from a previous sponsor, implying a negative effect of discontinuing a sponsorship. Likewise, we would expect a negative effect on a sponsor’s image, resulting in a negative effect on purchase intentions. Furthermore, it would be interesting to investigate the effect on share price of the sponsor when a sponsorship agreement is ended. Because of the mostly favourble investor reactions on the announcement of a sponsorship, we would expect a negative effect of ending a sponsorship agreement. These considerations lead to research propositions six and seven.

Finally, future research in sports sponsorship could address investors’ reactions to sponsorships of different objects with differing degrees of risk involved, such as single athlete sponsorship versus team and/or league sponsorship. With regard to shareholders, we would expect high-risk sponsorships to receive less favourable investor responses than low-risk sponsorship, see research proposition eight.

In all, it can be concluded that as sponsorship has become a common instrument in the marketing mix, academic research on sponsorship effects is evolving. Therefore, the research area is gaining a stronger empirical foundation, which contributes to increased professionalism in sponsorship business practice. Still, research on sponsorship remains less developed than, for example research on advertising, so there are plenty of opportunities for further investigation.

References


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