Delineating the outcomes of sponsorship

Sponsor image, word of mouth, and purchase intentions

Rodoula Tsiotsou
Department of Commerce & Advertising,
Higher Technological Education Institution of Crete, Crete, Greece, and
Konstantinos Alexandris
Department of Physical Education and Sport Science,
Aristotle University of Thessaloniki, Thessaloniki, Greece

Abstract

Purpose – The purpose of this paper is to propose a model in which fans’ team attachment is the determinant of three sponsorship outcomes: sponsor image, purchase intentions, and word of mouth. Furthermore, following the sponsorship literature, the role of sport fans’ involvement on the development of team attachment was examined.

Design/methodology/approach – Questionnaires were collected from fans of a professional basketball team in Greece (n = 354). Structural equation modeling was employed in order to test the model fit and estimate the model coefficients.

Findings – The findings supported the premise that highly attached fans are more likely to develop positive image for their team sponsor, exhibit higher intentions for purchasing and recommending the sponsor’s products.

Research limitations/implications – The proposed model on sport sponsorship outcomes was supported. The results of the study contribute to our understanding of the role of team attachment and sponsor image in predicting sponsorship outcomes.

Practical implications – The findings from this research have practical implications for both sport team marketers and sponsors. Both parties need to have a good understanding of how and when sponsorship works to maximize its value.

Originality/value – The main contribution of this paper is the incorporation of sport involvement, team attachment, sponsor image, purchase intentions, and word of mouth within an integrated sponsorship model, and the testing of their interrelations. While these variables have been used in the sponsorship literature before, they have not been empirically tested in an integrated model.

Keywords Sponsorship, Sports, Marketing models

Paper type Research paper

Introduction

Corporate investments on sponsorship have increased rapidly over the last decades (Koo et al., 2006). Sponsorship expenditures increased worldwide from $2 billion in 1984
to $28 billion in 2004 (Carrillat et al., 2005; Koo et al., 2006). In Europe, it has been reported that $7.4 billion were invested on sponsorship programs in 2004 (Seguin et al., 2005). The amplified investments relate to the effectiveness of sponsorship as a marketing communication tool (Dolphin, 2003; Seguin et al., 2005). Although the growth in sponsorship investments is well documented in the literature along with the plethora of options now available to sponsors, several researchers have indicated the lack of evidence about how and when sponsorship works (Hoek, 1999; Meenaghan and O'Sullivan, 2001). Sponsorship effectiveness is mainly evaluated by marketing practitioners based on indicators related to product sales (Carrillat et al., 2005) and stock prices (Tsiotsou and Lalountas, 2005). Recent academic research, however, has addressed the importance of attitude research in understanding sponsorship outcomes (Alexandris et al., 2007). A variety of attitudinal and behavioral outcomes, such as media exposure, awareness, recognition and recall rates, sponsor image, purchase intentions, and word-of-mouth communication have all been proposed as sponsorship outcomes (Christensen, 2006; Gwinner and Swanson, 2003). However, as Christensen (2006) noted, sponsorship evaluation research is still at early stages, due to lack of established theoretical frameworks that can explain a consumer’s decision making process.

One of the basic forms of sponsorship is sport sponsorship, which involves sponsoring sport associations, teams, athletes, facilities, events, leagues and competitions. The current study was conducted in the context of professional sport sponsorship, aiming at investigating attitudinal and behavioral factors as sponsorship outcomes. Specifically, the objectives of the present study were set as follows:

- to propose an attitudinal/behavioral model in sponsorship evaluation;
- to measure sponsorship effectiveness by examining the antecedents of sponsor image, purchase intentions, and word of mouth; and
- to examine the role of sport involvement on these outcomes.

Conceptual framework and hypotheses

There have been some recent attempts to theoretically develop and empirically test models to investigate the influence of attitudinal constructs on sponsorship outcomes (Alexandris et al., 2007; Gwinner and Swanson, 2003; Madrigal, 2001). Despite these efforts, research on sponsorship evaluation is still not well established (Alexandris et al., 2007; Christensen, 2006), since the interactions among the constructs that have been proposed as antecedents and consequences of sponsorship programs are complex and dynamic.

As previously noted, a variety of attitudinal and behavioral outcomes, such as media exposure, awareness, recognition and recall rates, sponsor image, stock prices, purchase intentions, and word-of-mouth communication have all been proposed as sponsorship outcomes (Christensen, 2006; Tsiotsou and Lalountas, 2005; Gwinner and Swanson, 2003). The present study proposes a model that incorporates attitudinal (sponsor image) and behavioral outcomes (purchase intentions and word of mouth) of sponsorship in order to understand how and when sport sponsorship works. These attitudinal constructs have not been empirically tested in an integrated model so far. The sponsorship outcomes and antecedents, used in this study, are reviewed below, while the proposed relationships among them are presented.
Sponsorship outcomes

Sponsor image, purchase intentions, and word-of-mouth communications

Marketing scholars have proposed that brand image should be considered as a major sponsorship outcome (Stipp and Schiavone, 1996), due to market prominence bias involved in most common outcomes such as sponsor identification or awareness (Pham and Johar, 2001). Thus, it is argued here that sponsorship effectiveness (or ineffectiveness) should be assessed by using brand/sponsor image as a sponsorship outcome. Consumers form an image of the brand based on the associations that they make with respect to this brand. Keller (1993) proposed three dimensions of brand associations:

1. attributes;
2. benefits; and
3. attitudes.

Attributes are the features of each product/service, and are classified into product-related and non-product related. Benefits, on the other hand, are related to consumers’ perceptions related to the value of the product, and the expected outcomes. Finally, brand attitudes are defined as “consumers’ overall evaluation about the brand” (Keller, 1993, p. 4). The same author added that the “attitudes” construct is an important one because its study can help towards a better understanding of consumer choices. In the present study we focused on attitudes, since we wanted to include an overall consumers’ evaluation about the brand. The measurement of attributes and benefits required detailed information about the sponsor’s products and their expected benefits, which was beyond the scope of the present study. It has been proposed that a positive attitude towards a sponsor is developed when a consumer evaluates positively the benefits of sponsorship for a team (Meenaghan, 2001).

Purchase intentions is one of the most widely used sponsorship outcomes (Alexandris et al., 2007; Gwinner and Swanson, 2003; Harvey, 2001; Lee et al., 1997; Madrigal, 2001). In a recent study, Harvey et al. (2006) reported that sponsorship changes consumers’ responses towards a specific sponsor, and develops positive attitudes towards the sponsor, which then leads to increased consumer willingness to buy the sponsor’s products. In the present study we also included word-of-mouth communications, as one of the sponsorship outcomes; this has been proposed and empirically tested by Alexandris et al. (2007). Word of mouth is a highly desirable sponsorship outcome, since it is widely recognized today as one of the most effective communication tools (Laczniak et al., 2001). We therefore propose that:

**H1.** Sponsor image is positively related to word of mouth.

**H2.** Sponsor image is positively related to purchase intentions.

Antecedents of sponsorship

Team attachment

Various terms have been used in the literature to describe the psychological connection of a consumer to a sport team, such as team identification (Wann et al., 2001), attraction (Hansen and Gauthier, 1989), association, (Gladden et al., 1998), attachment (Funk et al., 2000) and importance (Funk and Pastore, 2000). Although these terms might share
several similarities, they are distinct constructs that have been studied in the sport consumer literature. For the purposes of this study, the construct “team attachment” has been used because it has not been studied adequately and its role remains unclear in the sponsorship literature. Team attachment refers to the psychological connection of consumers to a sports team. Team attachment is a valuable segmenting characteristic because it suggests a psychological connection that is stable and is not just a function of where a team plays (locale) or based just on team performance (Wann et al., 2001). Team attachment is also important in relation to consumer behaviors and behavioral intentions (Wann and Branscombe, 1993). Individuals with a high level of team attachment were found to attend more home games compared to those with a low attachment level (Wann and Branscombe, 1993). Consequently, it was hypothesized that team attachment would positively influence consumers’ behavioral intentions:

H3. Team attachment is positively related to sponsor image.
H4. Team attachment is positively related to purchase intentions.
H5. Team attachment is positively related to word of mouth.

Sport activity involvement
Sport activity involvement has been proposed as a central tenet in understanding how sponsorship works, and represents one of the three axioms in Meenaghan’s (2001) proposed theoretical framework of sponsorship. In sport and leisure settings the construct of sport involvement represents an individual’s interest in a specific sport activity, and has been defined as “an unobservable state of motivation, arousal or interest toward a recreation activity or associated product” (Havitz and Dimanche, 1997, p. 246). Involvement has been perceived as a multi-dimensional construct (Kyle et al., 2004; McIntyre and Pigram, 1992). Attraction and centrality are two dimensions of involvement that have been proposed and are applicable to the context of the present study. According to Kyle et al. (2004), attraction refers to the perceived importance that an activity holds for an individual and the interest, pleasure and enjoyment derived from the activity. Centrality refers to the position that an activity has in an individual’s lifestyle (Kyle et al., 2004).

The importance of sport activity involvement in predicting sponsorship outcomes was supported in Alexandris et al.’s (2007) study, in which a sample of spectators in an event (all-star basketball game) in Greece was used. Gwinner and Swanson (2003) argued that spectators might show interest in a particular sport, in addition to their interest with a specific team. In this line, involvement was proposed to influence fans’ attachment with their favorite team. This proposition was based on research conducted by Lascu et al. (1995), who studied involvement among golfers. Therefore, using both dimensions of involvement we propose that attachment to a team will be stronger when consumers are highly involved with the sport activity:

H6. Involvement-attraction is positively related to team attachment.
H7. Involvement-centrality is positively related to team attachment.

All the hypothesized relationships are presented in the proposed model as postulated in Figure 1.
Methodology

Questionnaires were collected from fans of a professional basketball team in Greece. The questionnaires were distributed in the basketball arena, before the start of a basketball game (n = 470). A team of five researchers distributed the questionnaires, and collected them back. From these questionnaires 354 (n = 354) were returned, achieving a response rate of 75.3 percent.

Measurement model

The measurement model of the study including the endogenous and the exogenous variables is presented in Table I. The five constructs used were measured as follows.

Sport activity involvement. McIntyre and Pigram’s (1992) scales were used to measure the two dimensions of involvement: attraction and centrality. Seven point Likert scales anchored by strongly disagree (1)-strongly agree (7) were used to measure both constructs.

Team attachment. Eight items were initially used to measure team attachment but four of them were dropped due to low factor loadings. The items were originally proposed and tested by James and Ross (2002). These items measure the degree to which an individual has a felt commitment to the team and has internalized the team within his/her self-concept. Respondents responded to the items using a seven point Likert scale, anchored by strongly disagree (1)-strongly agree (7).

Sponsor image. Three items were used to measure the sponsor’s image based on the scale developed by Madrigal (2001). Responses to the items were made using seven point Likert scales, anchored by strongly disagree (1)-strongly agree (7).

Purchase intentions and word-of-mouth communication. Three items measured favorable purchase intentions and one item favorable word of mouth (“will you recommend sponsors products to friends and family?”). Seven point Likert scales, anchored by very unlikely (1)-very likely (7) were used for both behavioral intentions measures.

Results

Respondents ranged in age from 18 to 65 years (mean = 31.9), with males making up 90 percent of the sample (n = 354). The majority of the subjects were single (67 percent). Subjects included university students (18 percent), high school graduates (39 percent), bachelor degree holders (37 percent), master degree holders (4 percent)
and graduates of continuing education centers (2 percent). Fun club members accounted for 55 percent of the respondents, season ticket holders accounted for 15 percent and single ticket holders for 30 percent.

Initial analyses
To avoid multicollinearity problems, items with intercorrelations larger than 0.80 were dropped from the measurement model. Table I presents the final measurement model for the exogenous and the endogenous variables of the study. Multicollinearity was tested in our data by examining the variance inflation factor (VIF) associated with each independent variable. The VIF values did not exceed 10.0 (with the highest being 4.5) indicating that multicollinearity did not constitute a limitation of the study.

Confirmatory factor analysis
The 15 items used to measure the five latent constructs (with the exception of the single indicator, word of mouth) were subjected to confirmatory factor analysis using LISREL 8.52. The specified measurement model was found to fit the data adequately,
although the $\chi^2$ goodness of fit index was statistically significant ($\chi^2 = 216.06$ with 75 degrees of freedom $p = 0.00$). However, the fit indexes values met or exceeded the critical values for good model fit (NFI = 0.94, RMSEA = 0.07, GFI = 0.93, CFI = 0.96).

Next, internal consistency was evaluated by using Cronbach $\alpha$. The Cronbach $\alpha$ for the latent variables, involvement-centrality, team attachment, sponsor image and purchase intentions ranged from 0.74 to 0.92, all above the recommended 0.70 cut-off point. The model was also tested for convergent and discriminant validity, by using the factor loadings. Convergent validity is indicated when path coefficients from latent constructs to the corresponding indicators are statistically significant. The loadings of the observed variables ranged from 0.73 to 0.96 and all were positive and significant at the 0.05 level (the lowest $t$-value = 14.48), indicating that the observed variables were explained by the latent variables. Significant $t$-values meet the criteria for convergent validity. To test for discriminant validity, we checked whether the correlations among the latent constructs were significantly less than one. None of the confidence intervals of the $\Phi$ values ($\pm$ two standards errors) included the value of one, providing evidence of discriminant validity. Thus, the conditions for convergent and discriminant validity were satisfied indicating that the constructs are measured reliably and can be discriminated.

The structural model
After the preliminary analyses, the structural model of the study was tested using the statistical package LISREL 8.52. The proposed model (Figure 1) did not fit the data well with a $\chi^2$ value of 367 and 90 degrees of freedom and a RMSEA of 0.09, which is larger than the recommended 0.08. The modification indices suggested adding a path from purchase intentions to word of mouth, in order to improve the fit of the model. Although, this relationship has not been tested before in the sponsorship literature, it is supported in the marketing literature (Bloemer et al., 1999) and for this reason it was decided to add the path. When the new path was added, the new model fitted the data well. The revised model had a $\chi^2$ value of 267.738 with 89 degrees of freedom, a RMSEA of 0.07, and fit indexes values larger than the recommended 0.90 threshold (GFI = 0.92, CFI = 0.95, NNFI = 0.94). With the exception of one path (from team attachment to word of mouth, $H5$) all other paths of the model were significant (see Figure 1).

As shown in Table II, total, direct, and indirect effects on the endogenous variables of the proposed model were all significant. All constructs used in the model presented significant positive direct and/or indirect effects on purchase intentions with the exception of involvement-centrality. Moreover, several of the total effects were strong.

Specifically, team attachment exhibited the strongest positive total effect on purchase intentions (0.55) followed by sponsor image (0.47) and involvement-attraction (0.34). However, the direct effect of team attachment is stronger (0.36) than its indirect (0.19), with sponsor image being the strongest direct determinant of purchase intentions (0.47). Moreover, involvement-centrality had a significant negative indirect effect ($-0.14$) on purchase intentions. The strongest determinant of word of mouth was purchase intentions (total effect, 0.63) followed by team attachment (total effect, 0.49) and sponsor image (total effect, 0.48). Team attachment was the strongest determinant of sponsor image with a total direct effect of 0.39 whereas involvement-attraction exhibited the strongest effect on team attachment (0.62).
With respect to the explained variance on the endogenous variables team attachment and sponsor image explained 49 percent of the variance on purchase intentions. Team attachment, sponsor image, team attachment, and purchase intentions explained 65 percent of the variance on word of mouth. Involvement-attraction and involvement-centrality explained 24 percent of the variance on team attachment whereas team attachment explained 16 percent of the variance on sponsor image.

**Discussion and managerial implications**
The study aimed to test an integrated model of sport sponsorship, in which team attachment was proposed to influence attitudinal (sponsor image) and behavioral intention outcomes (purchase intentions and word of mouth). Prior research examined the above constructs either in isolation or in relation to other constructs, which were not included in this study. The results revealed some clear patterns and supported the proposed framework.

First of all, a significant and fairly high amount of variance on purchase intentions (49 percent) and word of mouth (65 percent) was explained by Involvement, team attachment and sponsor image. This finding provides support for the inclusion of these variables in the proposed model and it indicates their important role in the sponsorship effectiveness.

Team attachment exhibited fairly strong total effects on both sponsor image and purchase intentions, which implies that highly attached fans are more likely to develop positive image about the sponsor and express willingness to buy its products, as has been previously proposed. The important role of team attachment has also been shown in previous studies that have been conducted in the context of American collegiate sports and/or professional sports (Gwinner and Swanson, 2003). Sponsor image was also shown to have direct and fairly strong total effects on both purchase intentions and word-of-mouth. It is, however, important to note that sponsor image was shown to be a mediator of the relationship between sport attachment and word-of-mouth.
Both these findings provide support for the value of team attachment and sponsor image in predicting behavioral sponsorship outcomes, as has been proposed. They are also in line with the phenomenon of “transfer of goodwill,” as proposed by Meenaghan (2001). Highly attached fans are more likely to develop positive image about their team’s sponsor and consequently express positive intentions to say good things and buy the sponsor’s products. It could, therefore, be proposed that marketers should work on the development of team attachment and the creation of positive sponsor image, in order to increase sponsorship effectiveness. They should create programs and actions that will increase fans attachment to the team. This can be done by increasing their involvement with the team’s social events and activities. Furthermore, sport teams marketers should extensively promote sponsorship through different types of communication strategies. Examples can be indoor and outdoor advertisement, print material (e.g. match day program, newsletters), electronic mass media, internet (e.g. website), announcements in the stadiums, public relations actions. These actions can help on increasing sponsorship awareness and build the sponsor’s image.

In addition to predicting sponsorship outcomes, this study provides empirical evidence for the role of sport activity involvement as antecedent of team attachment. As hypothesized, the involvement-attraction dimension had a strong direct effect on team attachment. As previously discussed, attraction refers to the perceived importance that an activity holds for an individual and the interest, pleasure and enjoyment derived from the activity (Kyle et al., 2004). This means that sport activities which are considered as fun, attractive and spectacular are more likely to develop attached fans.

The challenges for the team managers and organizational bodies are clear. The results, however, showed that the effect of involvement-centrality on team attachment was negative. This was the only unexpected finding of the study and might relate to the three fan groups’ characteristics (season ticket holders, fun club members, and single ticket holders). It is likely that one or more of these groups (e.g. single ticket holders) are highly involved with the activity (basketball), but not much attached to the specific team. That is, it may be that fans who rank high on sport involvement-centrality feel a stronger attachment to the sport in general than to any specific team. However, this finding may also be influenced by the sample utilized in this study. Due to the limited sample size, we were not able to test the proposed model for each of the three groups separately. This relationship should be investigated more thoroughly in future research.

Summarizing the managerial implications, the present study presents some information on the following issues:

- the sponsorship selection criteria;
- the advancement of the sponsorship-leveraging strategy; and
- the sponsorship evaluation criteria.

The challenge for marketers is, therefore, to determine the levels of fan involvement and fan attachment with their teams, before taking decisions about sponsorship investments. In terms of sponsorship-leveraging strategies, sponsors should plan activities-events (e.g. sponsor autograph sessions with team players) and develop promotions (e.g. create communications, in which team players and/or coaches could endorse sponsors’ products), in order to boost fans involvement and attachment to their
team and enhance sponsor/brand image. One of the main strategies for the building of sponsor’s image is the inclusion of social objectives within their sponsorship programs. Examples of these objectives could be the support of the developmental leagues, kids’ sports, promotion of the sponsored sport in the society and support of charitable events organized by the team and/or the league. In terms of the evaluation criteria, the results of the study provided evidence that sponsors should not use solely exposure and awareness as evaluation criteria of sponsorship, but also sponsor image, word of mouth, and purchase intentions. This implies that more work is required in evaluating sponsorship; cooperation between the sport team marketers and consumers in order to identify opportunities for sponsorship leveraging and accomplishing attitudinal and behavioral outcomes is, in this case, required.

Future research directions/limitations
Future research possibilities in sponsorship are numerous. A replication of the study in other sport teams, events, and sports (e.g. soccer, football, and golf) is recommended. The variety of alternative sponsorship outcomes that were identified in the literature betrays a promising area of future sponsorship research. For instance, we have not considered the effect of sponsorship on brand familiarity, brand personality, brand beliefs, and attitude toward sponsorship in general. Furthermore, the issue of sponsor fit was not examined in the current study. There has been evidence that high-fit sponsorship programs are more effective than low fit ones (Becker-Olsen and Hill, 2006). Future studies could address and measure the sponsorship fit, in relation to the variables used in this study.

Consistent with previous recommendations (Meenaghan, 2001), sport fans segmentation arises as a necessary topic of investigation in sponsorship studies. So far, sport fans have been treated in studies as a unified segment. Sport activity involvement is a useful segmentation criterion and should be used in conjunction with other segmentation variables (e.g. team loyalty and self expression) to identify distinct sport fan groups. Thus, in order for sponsors to develop and employ effective strategies for leveraging sponsorships, sport fans segments and their behavior should be known in advance.

This study was intended to empirically test a theoretical model. However, as with any study, a number of limitations must be acknowledged. First, this study considered just word of mouth and purchase intentions, as endpoints of sponsorship and not actual behavior. Future studies should investigate how purchase intentions influence actual behavior. Second, the study is limited to fans of one sport team, to one team sponsor (major sponsor) and one sport (basketball). Thus, the reported results reflect only the fans of the team, the specific brand, the major sponsor, and the sport studied, while generalizations should be made with caution.

References

11/12, pp. 1082-106.

familiar brands have an advantage over more familiar brands in single and multiple

No. 1, pp. 61-80.

Dolphin, R. (2003), “Sponsorship: perspectives on its strategic role”, *Corporate Communications:

attitudinal information in segmenting loyalty to professional sports teams”, *Sport Marketing Quarterly*, Vol. 9 No. 4, pp. 175-84.


brand equity in division 1 college athletics”, *Journal of Sport Management*, Vol. 12 No. 1,
pp. 1-19.


Vol. 1, pp. 59-64.


image fit on consumers’ cognition, affect, and behavioral intentions”, *Sport Marketing Quarterly*, Vol. 15 No. 2, pp. 80-90.


individual difference factor in spectator sports”, *Sport Marketing Quarterly*, Vol. 4,
pp. 41-56.


**Further reading**


**Corresponding author**

Rodoula Tsiotsou can be contacted at: rtsiotsou@yahoo.gr

To purchase reprints of this article please e-mail: reprints@emeraldinsight.com
Or visit our web site for further details: www.emeraldinsight.com/reprints