The Impact of Sport Sponsorship Activities, Corporate Image, and Prior Use on Consumer Purchase Intention

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Abstract

Sport sponsorship is used to support marketing and corporate objectives, such as improving a company or brand image and increasing consumers’ intentions to purchase a company’s product or service. Consumers’ intention to purchase derives from two main influences, a positive attitude towards the brand itself and brand familiarity, obtained from brand exposure and prior use. This suggests a relationship between sport sponsorship activities, brand exposure, and attitudes towards the brand itself. This relationship was explored in this research by considering the impact of three factors on the level of intention to purchase a company’s products or services. The factors considered were corporate image, prior product use, and belief that the company sponsors a sport or sports. Subjects were asked to rate their intention to purchase products or services from 10 companies in five product groups. Companies were also assessed for corporate image, belief that the company was a sponsor of sport, and prior use. The relationships between these variables were examined using ANOVA. Significant effects on purchase intention were found from the brand, from the belief that the company sponsored sport, and from the corporate image of the company. No interaction effects between the independent variables were found.

Introduction

Sport sponsorship supports many organizational objectives (Abratt, Clayson, & Pitt, 1987; Abratt & Grobler, 1989; Gardner & Shuman, 1986; Gilchrist, 1988; Gross, Traylor & Shuman, 1987; D. Stotlar, 1993). Generally, these objectives can be placed into three categories (Sandler & Shani, 1993): (a) media objectives (e.g., achieving cost-effectiveness or reaching target markets), (b) marketing objectives (such as brand promotion, generating purchase intention, or generating a sales increase), and (c) broader corporate objectives (which are principally image based).

Discussing these categories, several authors have noted a trend away from the first (i.e., the setting of media objectives) over the last 15 years (e.g., Sandler & Shani, 1993). Other researchers still report the use of these categories, however, but advise against the practice (Marshall & Cook, 1992; Pope & Voges, 1994). It has been either suggested or implied that the remaining two categories should be treated in combination by sponsors (Cornwell, 1995; Gross, Javalgi & Traylor, 1992; Kuzma, Shanklin, & McCally, 1993; Morgan, 1992). The ability of sport sponsorship to achieve these objectives has not been widely studied, though (Turco, 1995), and no studies appear to exist that examine the relationship and interaction of both marketing and corporate objectives in the context of sport sponsorship awareness.

The research presented in this paper considers the impact of three factors on the level of intention to purchase a company’s products. These factors are (a) corporate image, (b) prior product use, and (c) belief that a company sponsors a sport or sports.

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Purchase Intention, Brand Awareness, and Corporate Image

Substantial evidence indicates that a consumer's intention to purchase a product or service is predicated on two influences (Alba & Hutchinson, 1987; Brucks, 1985; Harlam, Krishna, Lehmann, & Mela, 1995; Laroche, Kim, & Zhou, 1996). The first of these influences is a positive attitude towards the brand itself (Laroche & Brisoux, 1989; Laroche et al.). Such a positive attitude towards a brand appears also to be affected negatively by attitudes towards other brands in the choice set (Laroche et al.), suggesting that the better one feels about several competing brands, the less inclined one is to choose one over another. Positive attitude towards a brand would, therefore, seem to be a comparative proposition.

The second influence in purchase intention is brand familiarity (Anand, Holbrook, & Stephens, 1988; Brucks, 1985; Heath, 1990; Laroche et al., 1996; Zajonc & Markus, 1982). Brand familiarity appears to be based on two factors: prior experience and brand exposure by other means. Prior experience, usually derived from use of a brand, has been found to increase attitude strength and enhance the ability to discriminate between brands. For example, recall accuracy for brands used by respondents is significantly higher than for brands not used by respondents (Biehal & Chakravarti, 1982), and image-based elaboration is also higher amongst a brand's users than amongst nonusers (Bone & Ellen, 1992). Laroche et al. (1996) suggest that brand exposure, resulting from multiple displays of a brand stimulus, affects brand familiarity. Given these arguments, it is probable that brand familiarity is a function of brand awareness.

Brand awareness is affected by the organization of memory. Product information is stored and organized in memory predominantly by brand (Biehal & Chakravarti, 1982; Nedungadi, 1990; du Plessis, 1994). This organization impacts on recall but not on recognition, because individuals draw on their knowledge of the world using a semantic organization of knowledge (Biehal & Chakravarti, 1982; Hutchinson, 1983; Lynch & Srull, 1982; Nedungadi, 1990; du Plessis, 1994; Singh, Rothschild & Churchill, 1988).

This is also what occurs in the development of corporate image, through generalized knowledge of companies and brands, prior product use, and other information inputs. Corporate image is "the total impression that the entity makes on the minds of individuals" (Dichter, 1985, p. 75); and "the image associated with the name of an organization" (Gatewood, Gowan, & Lautenschlager, 1993, p. 416).

Examinations of corporate image suggest two factors:

1. Markets are characterized by incomplete information (Fombrun & Shanley, 1990; Javalgi, Traylor, Gross & Lopman, 1994), and
2. Organizations have multiple publics, each with a different image of the organization, and applying different criteria to assessment of that image (Fombrun & Shanley, 1990; Gatewood et al., 1993).

Brand awareness is a difficult concept to measure. Is it, for example, all brands known to the consumer, or is it just those that can be remembered at a specific point in time (Alba & Chattopadhyay, 1985)? The one concept is that of recognition, the other that of recall. Whereas recall requires two steps in memory—search and then recognition—recognition is only a single step (Singh et al., 1988). The distinction between the two is important here, because both brand familiarity and corporate image imply a level of awareness that would make brand information readily accessible.

Unfortunately, the distinction is not always that clear. Generally, information accessibility is a major determinant in consumer choice situations (Chattopadhyay & Nedungadi, 1992). The addition of a stimulus enhances the efficacy of information accessibility and results in consistently higher scores for recognition over recall, as one would expect (Lynch & Srull, 1982; Singh et al., 1988; du Plessis, 1994). However, the results for each against a given product or brand will co-vary, despite recognition's tendency to allow false positives (Singh et al.). Apparently then, in terms of a group of subjects, recognition and recall function equally well as measures of awareness. Nomologically, however, it seems reasonable that where brand familiarity and corporate image are concerned—and a higher level of information accessibility is implied—a recall measure is more appropriate than one of recognition.

Previous Research in the Sport Sponsorship Context

Much research of sponsorship has been conducted into recall and recognition (e.g., Pope & Vonges, 1995; D. Stotlar & Johnson, 1989). This is particularly appropriate given the constant and repetitive exposure of sport sponsorship (through signs, logos, etc.). The question arises as to the effect this exposure has in the context of sport.

We found only one study that examined both corporate image and purchase intention effects of sponsorship awareness (Turco, 1995). That researcher interviewed spectators during a steeplechase event. Interviewees were asked to recall the three sponsors involved. High rates of recall were found, in particular for the title sponsor. Interviewees were then asked questions regarding the corporate image they held of the sponsors and their intention to purchase the sponsors' products. Respondents "indicated they had a more favorable image of the
company” and “attested they would be more likely to purchase” (Turco, 1995, pp. 11–9).

In another study, Javalgi et al. (1994) examined the question of whether sponsorship awareness had any effect on corporate image, but they did not examine purchase intention. They measured corporate image along six dimensions: has good products/services; is well managed; only wants to make money; is involved in the community; responds to consumer needs, and is a good company to work for.

From their research, they concluded that individuals who recall sponsors unaided have more reinforced beliefs about corporations than do those individuals who cannot recall sponsors.

Their conclusions are supported by a study conducted in India in the same year (Rajaretman, 1994), which found that image is affected over several dimensions, each being affected differently. Again, it was found that image strength is greater among those who recall unaided.

Very little other research has been conducted into sponsorship effects on corporate image and purchase intention (for example, D. K. Stotlar, 1993), and we found none that examined the interaction of corporate image with purchase intention as a result of sponsorship awareness.

Development of Hypotheses

Central to our interest in sponsorship is the effect of sponsorship awareness on intention to purchase the sponsor’s products. Our first hypothesis, therefore, is:

H1: Respondents who believe that a company sponsors a sport or sports will have a higher intention to purchase products of that company than will those respondents who do not believe that company sponsors a sport or sports.

However, two elements have the capacity to confound any test of this hypothesis. These elements are (a) the relationship between a brand name itself and the recall of that brand and (b) the relationship between prior use of a brand and the ability to recall that brand. The first of these relates to the organization of product information in memory by brand. That would suggest that those who recall a brand as a sponsor may already have developed attitudes regarding the brand. That being the case, we anticipate a main effect between intention to purchase and the brand name itself, in addition to an interaction between that main effect and the effect suggested in hypothesis one. Therefore, our second hypothesis is:

H2: A sponsor’s brand name will have a positive relationship with intention to purchase products of that sponsor. This effect will significantly interact with the relationship between sponsorship awareness and intention to purchase.

The second potential confound relates to prior use of a brand inducing better recall and associated attitudes. We suggest, therefore, that there will be a significant main effect between prior use of a brand and intention to purchase that brand, and that this will interact with the main effect suggested in H1:

H3: Self-reported prior use of the company’s products will lead to a higher intention to purchase the products of that company. This effect will significantly interact with the relationship between sponsorship awareness and intention to purchase.

Corporate image has been found by some authors to be positively affected by sponsorship awareness (see above). When this has been examined, one of the elements of image that was measured was belief that a company has good products. It seems reasonable to us that such a belief may be involved in intention to purchase a company’s brands. It is necessary, therefore, to exclude any main effect that might occur as a result of corporate image, but it is also necessary to test our assumption that corporate image will contribute to purchase intention. If this latter point is true, then corporate image should co-vary with purchase intention in the earlier hypothesized main effects. Hence our final hypothesis:

H4: Corporate image will be a significant co-variate in any main effects of sponsorship awareness, brand name, and prior brand use on intention to purchase a sponsor’s brand.

Method

Sample. A sample of 1,136 students from an Australian university was used. Of these, 964 provided completed responses. The sample was chosen to be of sufficient size to allow for at least 100 respondents for each brand to be examined (Sheth, Newman, & Gross, 1991). In addition, we decided not to use a repeated measure, but instead to present individual respondents with only the one brand stimulus. This was done in order to avoid respondents’ making comparisons of brands during data collection and thereby biasing responses.

Subject sponsors. Selection of sponsors to be included in the survey was based on the annual report Australians and Sport and an interview with a representative of the research company that publishes it. This showed seven sports that had sponsorship awareness of greater than 40% of respondents. Identified sponsors of these sports came from the product categories breakfast cereals, tobacco, motor vehicles, and beer. We excluded tobacco because of current controversies that might affect responses.

To balance this high-awareness group, product categories identified as having low sponsorship awareness amongst the Australian public, but with a history of sport sponsorship, were added. Two categories were identified: banks and insurance companies. This provided five product categories that we anticipated would provide a range of product types from which to draw subject sponsors.
These subject sponsors were selected on the basis of the best-known and least-known sponsoring brand in each product category.

Operationalization. Three measures lend themselves to assessing respondent awareness of sponsorship involving a brand: (a) a categorical question as to whether the respondents believe a company is involved in sponsorship or not; (b) recognition from a presented sample; and (c) recall, either prompted or unprompted, of a brand's sponsorship of a particular sport or sports. The first of these was rejected in this research because of its propensity to yea-saying (Arleck & Settle, 1995). The second was rejected because of the range of brands involved in the research and the levels of involvement pertaining to each. The last method was, therefore, selected, using the brand stimulus itself as the only prompt.

The question relating to this was a forced response, and no answer was treated as no belief on the part of the respondent that the brand used as the prompt was involved in sport sponsorship. However, and it is accepted that this could be seen as contentious, an incorrect answer (i.e., naming a sport as being sponsored by a brand when, in fact, the brand had no involvement, as identified by the brand providers themselves) was still treated as a belief that the company was involved in sponsorship. This is, of course, the rationale behind the concept of "ambush" sponsorship (Meenaghan, 1994).

Prior use was treated as any prior use being a yes response, even though the question asked for frequency and time frames. This was done in order to standardize the responses over a range of products and services, although the question was designed to evoke a thoughtful response on the part of respondents. Brand name was embedded in the questionnaire, each survey form being different and randomly distributed.

Corporate image was measured by an adaptation of the Javalgi et al. (1994) corporate image scale. Respondents were asked to rate subject brands on a scale of 1 (strongly disagree) to 5 (strongly agree) for each dimension. A split sample test showed the scale to lack reliability (Cronbach's alpha = .67). The reverse-scored item "only wants to make money" was poorly correlated with the total scale (.07), and its deletion raised Cronbach's alpha from .67 to .76. The remaining items were summated to create a single measure, in accordance with Spector (1992).

Purchase intention was measured by a Likert scale, developed by Whitlark, Geursen, and Swenson (1993), with five levels of intention: definitely will buy, probably will buy, might/might not buy, probably will not buy, and definitely will not buy. Whitlark et al. found that 75% of those who stated a purchase intention did purchase within 3 months, with a slightly higher percentage purchasing within 6 months. This finding applied over a range of products with different levels of involvement, including printers, milk, and meals.

Findings

Our research focused on the effect that belief that a brand's manufacturer is a sport sponsor has on intention to purchase the brand. We also allowed for the brand name itself and prior use of the brand. The mean scores of the main effects of belief, brand, and prior use on purchase intention are presented in Table 1. Higher purchase intention scores were found on the part of those who believe that a company's brand is involved in sport sponsorship than on the part of those who do not believe it. Table 1 also shows that those respondents who reported a prior use of the brand had higher purchase intention scores than did those who do not report a prior use. In addition, the

Table 1
Mean Purchase Intention* Score by Main Effects

<table>
<thead>
<tr>
<th>Effect</th>
<th>Mean</th>
<th>sd</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recall</td>
<td>3.17</td>
<td>.77</td>
<td>338</td>
</tr>
<tr>
<td>No Recall</td>
<td>2.82</td>
<td>.78</td>
<td>603</td>
</tr>
<tr>
<td>Prior Use</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Prior use</td>
<td>3.10</td>
<td>.80</td>
<td>391</td>
</tr>
<tr>
<td>No prior use</td>
<td>2.88</td>
<td>.76</td>
<td>550</td>
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<tr>
<td>Product Category / Brand</td>
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<tr>
<td>Insurance</td>
<td></td>
<td></td>
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<tr>
<td>AMP</td>
<td>3.10</td>
<td>.74</td>
<td>96</td>
</tr>
<tr>
<td>MMI</td>
<td>3.30</td>
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<td>84</td>
</tr>
<tr>
<td>Breakfast Cereal</td>
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<td></td>
<td></td>
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<tr>
<td>Nutrigrain</td>
<td>3.04</td>
<td>.77</td>
<td>90</td>
</tr>
<tr>
<td>Weetbix</td>
<td>3.19</td>
<td>.81</td>
<td>98</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td></td>
<td></td>
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<tr>
<td>Toyota</td>
<td>3.12</td>
<td>.72</td>
<td>100</td>
</tr>
<tr>
<td>Ford</td>
<td>2.79</td>
<td>.78</td>
<td>100</td>
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<tr>
<td>Beer</td>
<td></td>
<td></td>
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<tr>
<td>XXXX</td>
<td>2.60</td>
<td>.78</td>
<td>98</td>
</tr>
<tr>
<td>VB</td>
<td>2.86</td>
<td>.78</td>
<td>78</td>
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<tr>
<td>Banks</td>
<td></td>
<td></td>
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<tr>
<td>ANZ</td>
<td>2.83</td>
<td>.71</td>
<td>100</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>3.14</td>
<td>.79</td>
<td>97</td>
</tr>
</tbody>
</table>

Total N = 941

* Measured on a scale of 1 to 5, 1 being a definitely will not buy, and 5 being definitely will buy.
Purchase intention was measured by a Likert scale, developed by Whittaker, Geurts, and Swenson (1993), with five levels of intention: definitely will buy, probably will buy, might/might not buy, probably will not buy, and definitely will not buy.

individual brands themselves show a variation in these purchase intention scores.

To test whether these differences in means were significant, an analysis of covariance was conducted. Results of this analysis are presented at Table 2. The results showed a significant relationship between purchase intention and a belief that the company was a sponsor (F = 10.10, df = 1, p < 0.01) (H1) and between purchase intention and the brand prompt itself (F = 2.32, df = 9, p < 0.05) (H2). Prior use of a brand had no significant relationship with purchase intention (H3). Table 2 also shows that there were no significant interactions between any of the main effects. On this evidence, we accept our Hypotheses 1 and 2, but reject Hypothesis 3.

Hypothesis 4 suggested that holding a positive image of a company would lead to a higher intention to purchase products of that company. This was also tested through the analysis of covariance presented in Table 2. The results showed that there was a significant, positive relationship between purchase intention and corporate image (F = 5.50, df = 1, p < 0.05). We therefore accept Hypothesis 4.

Discussion

Purchase intention is considered a sponsorship objective (Sandler & Shani, 1993), as is improved corporate image (Gross et al., 1992; Kuzma et al., 1993). However, the effect of sponsorship awareness on purchase intention has not been widely studied before, and its interaction with corporate image has not been studied at all. Significant relationships were found in this research between an intention to purchase a company's product and (a) a belief that a company sponsors a sport or sports, (b) the company's corporate image, and (c) the brand itself. These findings are important to organizations sponsoring sports and those seeking sponsorship.

In addition to a direct relationship between sponsorship awareness and purchase intention, we found a significant relationship between a company's corporate image and an intention to purchase that company's products. This finding is widely supported in the literature (Laroche & Brisoux, 1989; Laroche et al., 1996). Research has suggested a positive relationship between awareness of sponsorship and corporate image (Javalgi et al., 1994). However, even given our findings, it is possible that the findings of Javalgi et al. relating to a relationship between sponsorship awareness and corporate image could be accounted for by prior brand use and the brand name when used as a prompt. We make no claim in this paper that sponsorship created an improved corporate image, merely that it would be a covariate in the main effects.

We also found a significant relationship between a brand name (when used as a prompt) and an intention to purchase the product. This has not been specifically examined before, but is a logical extension of earlier research that shows organization of product information in memory to be brand based (Biehal & Chakravarti, 1982; Neddugadi, 1990; du Plessis, 1994).

No significant relationship was found between purchase intention and prior use of a product, a finding that appears to contradict previous research (Alba & Hutchinson, 1987; Biehal & Chakravarti, 1982; Brucks, 1985; Harlam et al., 1995). However, this relationship is likely to be heavily influenced by product type and specific brands. This brings us to the topic of limitations.

Limitations and Further Research

This study was subject to limitations. The sample was a convenience sample of tertiary students, so generalization from the results is inappropriate. It would be interesting to replicate the study with a group more representative of the community to see if a similar set of findings would occur.

Additionally, in this study five different product categories and 10 different brands were investigated, so it is possible that specific positive and negative intentions to purchase

Table 2

<table>
<thead>
<tr>
<th>Analysis of Covariance Results for Purchase Intention</th>
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<tr>
<td>Effect</td>
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</tr>
<tr>
<td>Main Effects</td>
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<tr>
<td>Brand</td>
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<tr>
<td>Belief company is sponsor</td>
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<tr>
<td>Prior use</td>
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<tr>
<td>Interactions</td>
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<tr>
<td>Brand by Belief</td>
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<tr>
<td>Prior use by Brand</td>
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<tr>
<td>Prior use by Belief</td>
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<tr>
<td>Belief by Use by Brand</td>
</tr>
<tr>
<td>Covariate</td>
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<tr>
<td>Corporate image</td>
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<td>Model</td>
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</table>
 were “cancelled out” in a general question about prior use. Future research studying this relationship may need to be restricted to single brand names or product groups.

Nor did we allow for interaction between the sponsoring organization and the individual athlete, team, sport, or event being sponsored. In that sense, this study only looked at one side of the activity. Future researchers might wish to conduct a longitudinal study across several brands against sponsored competitors, to see if any relationship is discernible between sporting success, the corporate image of sponsors, and the subsequent purchase intention of spectators.

This research has added support to the relationship between the belief that a company sponsors a sport or sports, the company’s corporate image, and the brand itself, and the respondent’s self-reported intention to purchase the company’s product. Although we believe these findings are important, we acknowledge that the work is in need of replication and in some ways raises more questions than it answers. For example, we used a summed scale of corporate image, but it would be interesting to know if there are links between the various elements of image, sponsorship awareness, and purchase intention. Similarly, what exactly is the brand effect on these variables? Although we believe we have contributed to the body of knowledge regarding sponsorship, it remains a difficult and little understood area.

References


