Sponsorship-linked Marketing WS 17/18

Exam: <mark>36 Multiple Choice Questions + 3 Open Questions</mark>

1. Introduction
1.1 Development and role of sponsorship in marketing
History:

- ~**65 BC** first appearance of sponsorship: support of Gladiators
- **1928**: Coca-Cola supplied the Olympic team of the United States of America with beverages
- **1950s**: president of the USA, Dwight D. Eisenhower, asked Mutual of Omaha and Union Oil to sponsor the first presidential physical fitness program
- **1970s**: Alcohol and Tabaco industry excluded from classical advertisement → sponsorship as an alternative, but not that attractive for other industries yet, success encourage others
- **1973**: Jägermeister sponsors Eintracht Braunschweig = first German sponsor

Goals early sponsorship efforts: combine business & citizenship to create enthusiasm in community

Trends in sponsorship - several things have changed in sponsorship:

1. **Market-driven orientation of sponsorship - From patronage (less commercial) to sponsorship**:
   - climbing costs of media advertising and declining public interest in costly media advertising are major incentive for companies to engage in sponsorships
   - increased advertising clutter that forced advertisers to be present at different venues and via different channels
2. **Increasing relevance of event sponsorship**:
   - chance to distinguish from competitors; extreme sports more prominent, expansions of music tours, sports tourism, local festivals, and mega events;
   - positive emotions which are shared during big events associated with product
3. **Sponsorship as a larger marketing tool**:
   - have become integrated into marketing philosophy → sponsorship policy
   - (best example for marketing-sponsorship mix: Red Bull)
4. **Development of a sponsorship-linked marketing strategy**:
   - goals of sponsorships often relate to expectations of **all** stakeholders → companies reach consumers through Sponsorship, but also employees (e.g. ticket giveaways), wholesalers, policy decisionmakers (invitation to cultural events), community Ieaders, media and public officials
   - a SLM strategy is connected to the goals of a company, which themselves build upon a companys strategy
5. **Leveraging and activation of sponsorship**:
   - Leveraging = all marketing communications collateral to the sponsorship eg. Internet, TV, radio, print advertisement → increase success of sponsorship
   - Estimated that for every dollar spent on sports event sponsorship, 5 dollars are spent into other areas (see above + hospitality booth, event signage etc.)
   - Activation = involve target group in sponsorship encouraging interaction with the sponsor

Sponsorship = **business relationship** between **corporation** and **individual**, **event** or **organization** that is based on an **exchange relationship** between **sponsor** and **sponsored entity** used for marketing communication objectives are pursued through associations. This statement is not correct. Sponsorship has increased in prominence more than advertising.

- Several other authors have provided definitions of sponsorship:
  - Investments in causes or events to support overall corporate objectives (for example, by enhancing corporate image) or marketing objectives
  - An exchange between sponsor and event property whereby the event property receives compensation and the sponsor obtains the right to associate itself with the event; typically with the objectives of developing awareness and image
  - An investment, in cash or in kind, in an activity, person or event (sponsee), in return for access to the exploitable commercial potential associated with that activity, person or event by the investor (sponsor)

- **Difference sponsorship and advertising**: sponsorship involves a **fee paid in advance** for future potential communication values ↔ advertising offers a **more knowable and more controlled communication** → **Advertising** is often **sponsorship's most valuable leverage** in order to increase value of sponsorship for the company. Lastly, sponsorship gives companies the opportunity to associate the company with a sponsored property → not the case in advertising

Sponsorship-linked marketing = orchestration & implementation of marketing activities for the purpose of building and communicating an association to a sponsorship.

Linkages in sponsorship-linked marketing between sponsor and sponsored product or service:

- **Self-evident / direct linkage**: build an association to the product or service and its uses. E.g. Valvoline Oil Company linked to auto racing (**product is actually used at event**), Adidas to soccer.
- **Strategic / indirect linkage**: build an association to the sponsorship audience . linkage to characteristics of the audience for the sponsored event or activity → audience = potential customers → Domino's Pizza not linked directly to auto racing, luxury car manufacturer sponsor ballet

Creating sponsorship links:
Choice of a particular type of sponsorship link reflects the objectives of the sponsorship, Sponsorship linking can be accomplished in 3 ways:

- **Non-participatory sponsorship** → simple financial investment → no ongoing presence in the sponsored property, no extensive publicity or advertising, e. g. Dietmar Hopp foundation supports sports organizations without associating SAP

  (If financial support is provided where there is no expectation of concrete benefit to the sponsor (such as extensive publicity or advertising), then the activity is more appropriately designated patronage)

- **Participatory arm's-length sponsorship** → investment and arm's length participation in the sponsorship → sponsorship through a third party (eg. advertising agency, event packager, or specialized sales promotion agency) → no own resources used apart from investment, e. g. BMW delegated the sponsorship of biathlon to akzio, a sponsorship agency. Disadvantage: ack of person-to -person grass-root image building

- **Participatory sponsorships** → investment and extensive participation in the sponsorship → active involvement of management, salespersons, employees into sponsorship, e. g. Kraft Food's employees participate in a social sponsorship cleaning event. Tied to objectives of company

1.3 The different types and levels of sponsorships

Statistics regarding spending on different types of sponsorships differ in reports that are published by different institutions. Sponsorship can be observed in the following areas, sorted in descending order according to their **popularity/economic relevance** in Germany:

1. **Sport sponsorship**

   (45% of total sponsorship budget in Germany, ~79% of which is football). Also largest sponsorship in USA.

   Chances: wide audiences, high involvement (emotional arousal and excitement)

   Risks: sporting performance, offenses against norms (doping), rivalry, over-commercialized

2. **Arts and culture sponsorship**:

   (long history, ~76% of companies survey engage in, e.g. Berlinale and L'oreal/ZDF)

   More local/regional character.

   It is important to mention that sponsorship through private companies does not need to replace subsidizes provided by federal, state, and local authority. This means that no monetary substitution may take place.

   More specific audiences → provide several opportunities/risks to sponsors, because appropriateness/authenticity of sponsorship depend on perception of how intrusive sponsorship is.

3. **Social sponsorship**

   Around 50% of survey companies in Germany employ it, but more common in the US because more critical attitude, less media coverage in Germany, cooperations between sponsors and organizations or supported person are considered to be problematic

   Social spons. means taking Corporate Social Responsibility (CSR): eg. welfare, youth, health care, senior citizen, humanitarian, disaster management, religious, political organisations and political parties

   Chances: Required high credibility / commitment of sponsor → positive perception → positive outcome

   Risks: low interest of the media, public expects entities to be independent from others

   Example: Telekom & DKMS against blood cancer

4. **Science and education sponsorship**

   About 57% of companies in DE do this

   kindergartens, schools, universities, other private educational institutes; companies must meet country-specific legal and social-ethical requirements, e.g. sponsorship of German schools is only permitted as long as the pedagogical benefits outweigh advertising effects by far. Each sponsorship must be compatible with the educational mandate.

   Chances: innovativeness, forward-looking, and support of the youth and the next generations

   Risks: there may be conflicting interest between sponsors and educational institutions, schools are obligated to keep their political, ideological, and religious neutrality; law prohibits financial dependence of educational institutions – it may influence teaching

5. **Eco sponsorship**:

   = Cooperation with non-commercial individuals or organizations, which take care of ecological problems and fight for a protection or a rehabilitation of the natural environment, e.g., WWF, Greenpeace → company feels responsible towards the environment.

   Important sponsors are credible → show that negative consequences can be reduced via their sponsorship

6. **Media sponsorship**: Companies appear as"presenter" of Internet (mostly used), television, radio broadcasts**;** a brand display or a spot of the brand is allowed for no more than seven seconds (Germany), e. g. Opel Adam / Germanys Next Topmodel. Different from other sponsorships, because theme is not cause that needs to be supported.

1.4 Figures on the monetary relevance of sponsorships

Using sponsorship figures in citations:

1. Make sure that sponsorship is defined appropriately
2. Make sure that the methodology used makes sense
3. Don't compare studies unless they use the same definitions and methods
4. Use most recent figures (for today's relevance)
5. Be critical and don't contradict yourself (or solve others' contradictions)

The sponsorship budget in Germany and USA increased steadily.
Sponsorship market in DE ~5 billion, Money spent is highest in sport & media sponsorship in DE
In USA: ~21 billion
In a chart of the German market, it is possible to define a steeper increase with the FIFA World Cup 2006 and a drop afterwards.

1.5 The role of intermediaries (=Mittelsperson) in sponsorship

In sponsorship, several intermediaries may be involved that mediate between the sponsor and the sponsored property, e. g. in North America: "Sponsorshiponline", "SPORTSMATCH", "IEG".
Conferences provide venues for intermediaries to meet sponsors and sponsored properties, e.g. IEG's annual sponsorship conference, Deutsche Sponsoringtage

Most important intermediaries in the field of sponsorship in Europe (**Ex1**):
- ESA (European sponsoring assoc.): voice of sponsorship industry in EU, raising industry standards
- ESB: Online platform, networking
- IMG: global leader in sports, fashion, media
- Metatop: Marketing Company
- MPM Sponsoring Consulting

1.6 State of the art of sponsorship

2 Journals that deal with sponsorship issues: Journal of Brand Strategy, Internat. Journal of Sports & Marketing Sponsorship
Examples of possible research questions of future studies:

- Should alcoholic beverage producers be allowed to engage in sponsorship?
  - The sport sponsorship industry was, to a large degree, launched by the desire of tobacco and alcohol executives to overcome marketing constraints by using various sports as legitimate conduits for their marketing messages
  - Germany = member of WHO → committed itself to a consequent tobacco-advertising ban. But posters & advertisement in cinema after 6pm allowed, no ban for alcohol advertising
- Should sponsors be allowed to target "vulnerable groups", e.g. children to promote "unhealthy" foods (e. g. high-sugar/high-fat products)?
- Should sponsors support unethical persons/institutions or rather support someone who is truly "doing good" (i.e., supporting social causes), or both?
- Commercial sponsorship linked to a social cause (e.g. mega events hosted in developing countries)

- Discussion devoted to current trends, such as emergence of of technology to measure sponsorship outcome (social media)
- How can unconscious sponsorship effects be measured?
- How can sponsorship be used to address target groups across cultures?

2 The sponsorship-linked marketing management process

Describes SLM strategies and explains how sponsors can segment the market, target certain groups of customers, and position themselves, highlights the relevance of fit between the sponsor and the sponsored property and discusses the implementation of SLM activities.

2.1. Overview

Management can be viewed as a **process** or **series of continuing** and **related activities**. It involves the **achievement of organizational goals** by working through and with people.
Management complexity introduced mainly by **people** and **organizational context**.

Four key steps of the SLM management process:
1. **Planning**
   - **Scope**: Establishing goals, selecting future course/action to achieve them
   - **Requirements**: clear presentation of core ideas, convincing, ways of implementation
   - **Steps**: situation/market/competitor analysis, definition of objectives (target group), strategy development (positioning of brand as exciting brand), establishment of sponsorship links
2. **Organizing**
   - Organizing = ensuring necessary human, physical, technological, financial and informational resources availability for SLM plan, which will then achieve the defined goals
   - Marketing department integrates all departments, processes, activities towards customer
3. **Leadership**: Energizing, directing, motivating, coaching and persuading others → creating a vision
4. **Controlling:** Controlling measures and evaluates sponsorship-linked marketing performances, compare actual performance to predefined standard

Feedback loop:

Reassess the situation in the market   → set new objectives
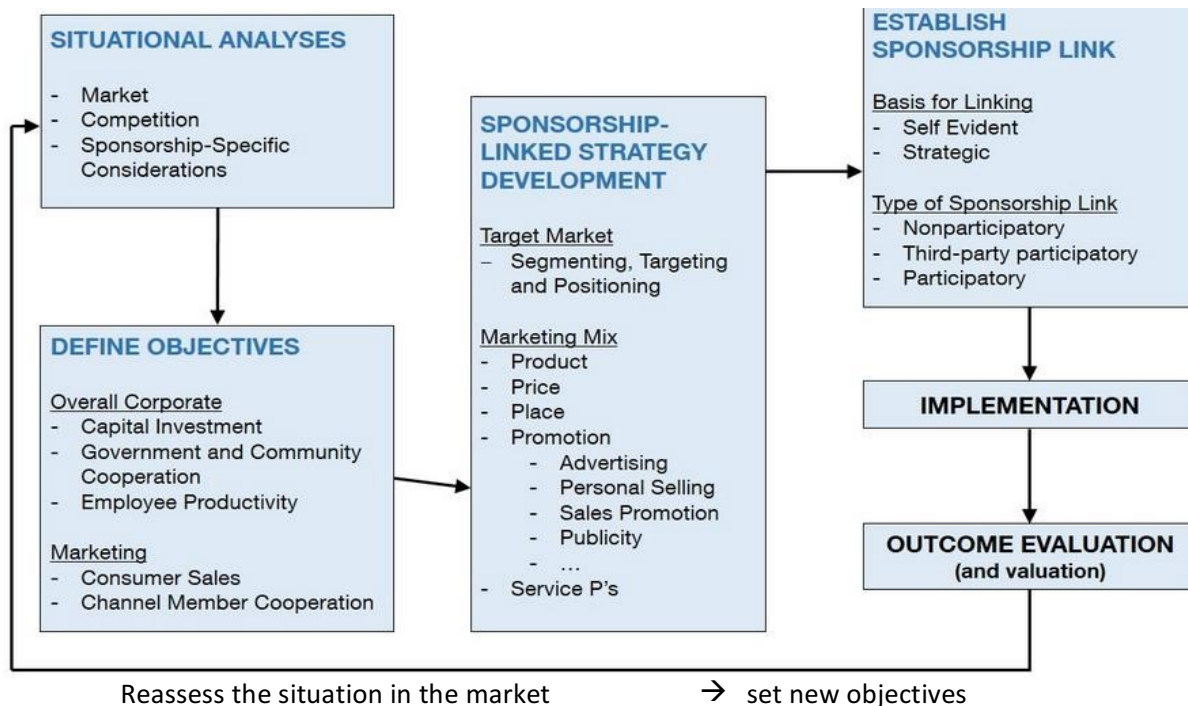
Questions that need to be answered and the variables that need to be considered within the SLM process:
- Who (sponsor) communicates
- What (communication message)
- And sponsors whom (sponsored entity)
- Under which circumstances (situational factors)
- Via which channels (media, communication tools)
- With which instruments (marketing-mix instruments)
- Directed at whom (target group of sponsorship)
- Where (geographical focus)
- And at what costs (sponsorship costs)
- With what consequences (sponsorship effects)?

2.2 Situational analyses and definition of objectives
Situational Analyses

Planning a sponsorship begins with an assessment of the current situation. Type of questions that should be answered with special importance to SLM, in addition to a SWOT analysis:

1. **Market**: market receptivity to sponsorship? Ways to reach market by the sponsorship? Geographic fit?
2. **Competition**: current state of sponsorship use? Competitors engaged in same type of sponsorships? Sponsorship opportunities with unique presence?
3. **Sponsorship-specific considerations**: existing associations to previous sponsors? Co-sponsors with relevant history of sponsorships? Specific opportunities/risks involved in certain types of sponsorship?

Answers are often stated in a **sponsorship policy statement,** guarantee that each evolving sponsorship is aligned with the higher-order goals of the company.

Objectives of sponsorship-linked marketing program:
→ Will a sponsorship program help achieve existing and planned general corporate and marketing objectives
→ fit of available sponsorships to current objectives, budget, mission, current company image, guiding philosophies

Marketing objectives	**Sponsorship objectives**

- **Marketing objectives**
  - Generate sales
  - Focus attention of buying public → brand awareness
  - Preempt (zuvorkommen) competitors
  - Facilitate prospecting for sales force
  - Create enthusiasm in distribution channel
  - Increase distribution outlets
  - Develop individual, person-to-person rapport through free or low-cost tickets as well as special treatment at the sponsored event

- **Sponsorship objectives**
  - Improve brand attitude
  - Improve brand personality
  - Boost service quality perception
  - Improve company visibility
  - Influence non-consumer audiences (financial institutions, potential investors, stockholders)
  - Help to counter negative preceding publicity
  - Aid sales/staff relations/recruitment
  - Create camaraderie among employees
  - Provide hospitality entertainment of important clients and employees
  - Influence community leaders' perceptions

Risks:
- **Make negative brand attitude worse** → e.g. corruption (Adidas sponsorship)
- **Public perception of company as mainstream**
- Efforts to develop desired link between product/service and sponsorship are **ambushed by other companies** (competitor gives impression that it is associated with the sponsored event, e.g. Olympic Games → consumer confusion)

1.3 Segmenting, Targeting, and Positioning in sponsorship-linked marketing ("STP Approach")

Most sponsored properties have multiple audiences. Effective targeting of these audiences requires (1) **being cognizant of the multiple audiences for the sponsorship**; (2) **prioritizing the audience targets according to sponsorship objectives**; (3) **positioning the company (against competitors) via sponsorship-linked marketing**. The three steps are typically referred to segmenting, targeting and positioning

Segmenting
Goal: Identify and profile groups of buyers, who are similar in their needs, preferences, buying power, customer lifetime value, social group norms.
Market segment = group of customers who share similar set of needs & wants.
Segmentation criteria:
- **Geographic segmentation**: geographical units e.g. nations, regions, countries, cities; e.g. Adidas in Germany: football players – in the US: baseball, basketball
- **Demographic segmentation**: life stage, income, social class, generation (age)
- **Psychographic segmentation**: psychological and/or personality traits, lifestyles or values (The part of the host population that was against Munich hosting the Olympic Games in 2022 advertised to citizens that belonged the consumer group with a LOHAS (lifestyle of health and sustainability) and highlighted the negative environmental consequences)
- **Behavioral segmentation**: benefits (options used), user status (new/existing/ex/non user), usage rate (light/heavy users), loyalty

Targeting
Goal: Determine each segments attractiveness and select one or more market segments to enter
Company must look at 2 factors: **segments overall attractiveness & companies objectives & resources**
Two indicators that are important when targeting consumers & employees:
- **Targeting consumers**: attractive if high costumer lifetime value: degree of loyalty to a company, generate future profits, willingness to pay, low switching likelihood. Companies may define as many

different target groups of sponsorship-linked marketing strategies as long as their customer lifetime value is positive.

- **Targeting employees**: reward successful employees via sponsorship-linked marketing activities (for example having them visiting a special music concert with free tickets)

Positioning

Designing the **company's offering** and **image** to occupy a **distinctive place in the mind of the target market**. **Goal**: Establish & communicate distinctive benefits of market offering for each target segment → **gain a sustained competitive advantage**

Within this process, there are two types of associations that consumers may have with a sponsor:

1. **Points-of-difference associations**: benefits, which customers associate with brand, positively evaluate and believe they won't find to the same extent with a competitive brand, e.g. Red Bull gives you wings, Coca Cola happiness → more important than points of parity
2. **Points-of-parity associations**: associations that consumers view as essential to a legitimate and credible offering within a certain product or service category, can be shared between other brands (e. g. "Krombacher" and "Bitburger" in football TV spots)

Important characteristics of **point-of-difference associations**:

- **Relevance**: Target consumers find point-of-difference associations personally relevant/important.
  For example McDonald's offered children to participate in the player's escort program during the FIFA World Cup 2014. This is relevant for a broad target group, such as parents and grandparents, beside the children themselves, because the attendance produces memorable and emotional moments. However, it may also be less relevant for single households without children, to state but one example.
- **Distinctiveness**: Target consumers find point-of-difference associations distinctive and superior.
  Red bull → risky events
- **Believability**: Target consumers find point-of-difference associations believable and credible. A brand must offer a compelling reason for choosing it over the other options.
  Adidas may argue that its soccer ball are more precise when shooting than other soccer balls and support this claim by noting that it has higher ratings for feel, durability and flight; the sponsorship of the 2014 FIFA World Cup and the provision of the official soccer ball in this tournament increased the believability of this claim.
- **Feasibility:** product/service design and SLM offering must support the desired association.
  Volkswagen in Germany has had to work hard to overcome public perceptions that Audi is not a youthful, contemporary brand. Among other means, this was achieved via sport sponsorship in sports areas with technical elements (such as ski-jumping and Alpine skiing).
- **Communicability**: Consumers must be given competitive reason why brand can deliver desired benefit → What verifiable evidence can ensure that consumers will actually believe in the brand and its desired associations?
  E.g. patented, branded ingredients → LOreal Skin perfection → Berlinale with attractive people
- **Sustainability:** The firm must be sufficiently committed and willing to devote enough resources to sustain their positioning. Is the positioning pre-emptive, defensible and difficult to attack?

Positioning Analysis

helps companies understand the dimensions along which target customers perceive the company, how they view it relative to competitors.

- Personality of Humans: Big 5 personality dimensions: Neuroticism, Extraversion, Openness, Agreeableness, Conscientiousness
- **Personality of Brands**: = set of human characteristics associated with a brand (e.g. Apple stylish, innovative). 5 dimensions:
  o Sincerity (down-to-earth, honesty),
  o Excitement (imaginative, spirited),
  o Competence (reliable, successful),
  o Sophistication (upperclass, elegant, prestigous),
  o Ruggedness (outdoor, tough, rough)

Conclusion:

One of the main tasks of a SLM Manager is to increase the likelihood that positive associations transfer from a sponsored property to the sponsor, and that (possibly) none of the competitor's profit from such transfer. This is referred to as "establishing a link."

2.4 Creating fits in sponsorship-linked marketing and the use of marketing-mix instruments

Fit between sponsors and sponsored properties

Definition "Fit": sponsored property and sponsor are perceived as congruent, whether that congruity is derived from mission, products, markets, technologies, attributes, brand concepts, or other key association.

Explaining Fit as a two-dimensional construct:

1. **Relevancy** of associations, = "degree to which the information contained in the stimulus favors (or hinders) the identification of the theme or message being communicated"
2. **Expectancy** of associations "refers to the degree to which an item or information falls into a predetermined schema or a structure evoked (hervorgerufen) by the theme"

10 dimensions of fit antecedents (Vorraussetzungen): **macro dimensions**:

- relationship explicitness, visibility of relationship, visuals/color, active involvement, and local attributes (i.e., dimensions that indicate the prominence of the relationship or the manner in which the cause relationship is presented and explained to potential customers → **prominence fit**)
- target marketing, mission, geographic compatibility, promotional activities, slogan (i.e., dimensions that indicate marketing strategy aspects and deals with the partners' similarity in segmentation, targeting, and positioning → **strategy fit**)

Fit = congruence = match-up = relevancy = relatedness = semantic link

Dimensions to assess the fit with the sponsored property:

- **Functional based fit** (sponsored brand is actually used by the participants during the event → self-evident link) & **image/attitudinal based fit** (image of the event is related to the image of the brand, e.g. golf & Cadillac → prestige)
- Relevancy of associations and expectancy of associations
- Prominence fit and marketing strategy fit as macro-dimensions
- Fit as regards the mission, products and services, markets, technologies, attributes, brand concepts, or any other key association

What are the limitations of the functional versus attitudinal fit classification against the background of the presence of other classification schemes?
Effect of fit is moderated by variables such **as consumers' perception of the firm's motives, affinity customers hold for the property and consumers' level of brand consciousness, characteristics of event. func/attitudinal very broad.**

→ When e.g. there is the question would the sponsorship of xxx by company xxx make sense (pros & cons), for pro you can say there is an **image based/functional fit, expand target group, conflicting sponsor associations, market segment attractiveness, fit product & sponsor on geographic level (both on national/international).**

Marketing-Mix Instruments
A product should be marketed as a service. "Seven Ps:"
- **Products/services**: A company's decision to offer specific products is influenced by sponsorship activities (e.g. Telekom sponsors FC Bayern → expand their offers regarding broadcasting football)
- **Price:** of all marketing decision variables, sponsorship least influences on price decisions, but may indirectly influence product & service prices (e.g. theater ticket prices lower when event sponsored)
- **Promotion**: marketing communications tools used to promote sponsorships. how can sponsorship be employed to augment or replace current investments in advertising, personal selling, sales promotion, and publicity?

- **Place**: Decisions regarding product/service distribution strongly influenced by sponsorship. (location, timing, magnitude of product demand)
- **People** (Participants, Staff, Customers to customers, Co-creation)
- **Physical evidence** (Service environment, sound, sight, smell, touch, taste)
- **Process** (Service blueprint, process design, Self-service technologies, online service provision)

Service P's (many sponsors are service providers):
- **Process duration**: time it takes to provide the service (FIFA game offered before world cup)
- **People's efforts**: service personnel's ability to interact well with the customer
- **Reliability**: customers like to receive expected outcomes. → consistency, integrity and dependability
- **Physical evidence**: surroundings where the service takes place (buildings, furnishing)

2.5 Sponsorship implementation and sponsorship outcome evaluation

The implementation of sponsorship-linked marketing requires both **organizational** and **leadership decisions** made within companies. The sponsorship-linked marketing perspective should permeate (durchdringen) organizational functions and processes in order to support value creation in a company. Project work and team-work are highly relevant when events are being sponsored, leadership skills relevant when working with volunteers

3. The effects of sponsorship-linked marketing on recipients

Main goal for sponsors = influence stakeholders in desirable way.

Recipients/Stakeholder: In most cases consumers (→ attention awareness),
employees (→ commitment),
the public (→ CSR perception),
financial institutions/investors/stockholders

3.1. Sponsorship messages as behavior-influencing stimuli

- **Stimulus-organism-response paradigm** → how individuals process marketing communication stimuli (= sponsorship message)
- **Individual's organism´s reaction/behavior** cannot be observed directly and is more a black-box → Research is focused on responses of the **organism** when assessing **cause-effect relationships**
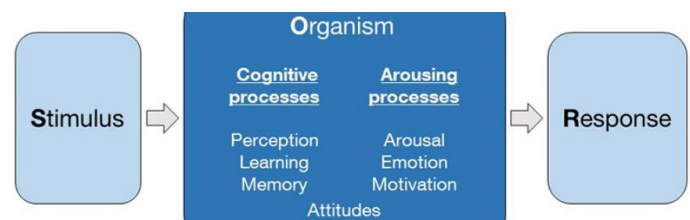
Perception

- = **process** by which **sensations are selected, organized**, and **interpreted** → sensation = **immediate response of our sensory receptors** to basic stimuli.
  - Perceptions are more important than reality → **affect** consumers' actual **behavior**
  - **Depends** not only on physical stimuli, but also on stimuli's relationship to **surrounding field**
- **Process**:
  Sensory stimuli (external) → Sensory receptors (5 senses) → exposure → attention → interpretation
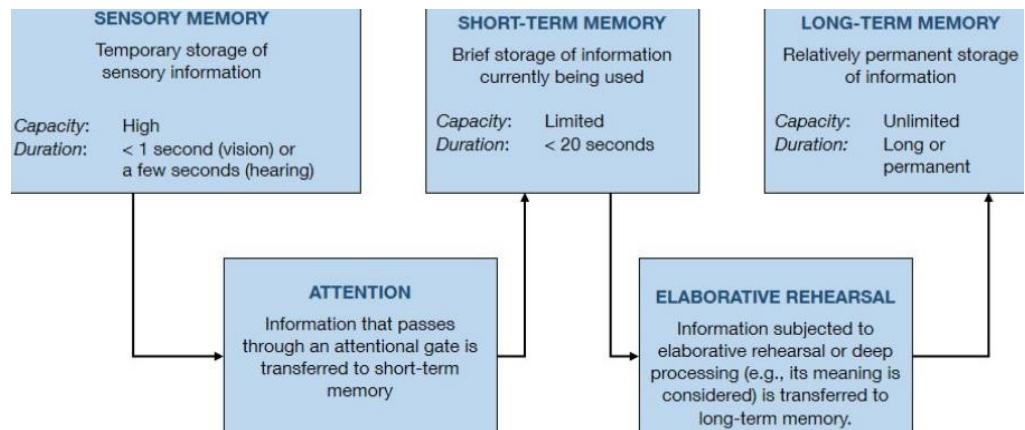
Effectiveness of sponsorship messages:
- Sponsorship most effective when targeting **multiple** sensory channels → **emotional experiences** (eg. Adidas fancorners at Olympia)
- **Selective Attention**: too much company communication per day → Goal: Create **unique association with the sensation** → **point-of-difference associations**
- e.g. the sense smell is addressed in an ad when commercial tries to communicate good smell

Memory

- **Memory** = process of acquiring information and storing it over time → available when individuals need it

- **3 types of memory**:

SENSORY MEMORY	SHORT-TERM MEMORY	LONG-TERM MEMORY
Temporary storage of sensory information	Brief storage of information currently being used	Relatively permanent storage of information
Capacity: High *Duration:* < 1 second (vision) or a few seconds (hearing)	*Capacity:* Limited *Duration:* < 20 seconds	*Capacity:* Unlimited *Duration:* Long or permanent

ATTENTION
Information that passes through an attentional gate is transferred to short-term memory

ELABORATIVE REHEARSAL
Information subjected to elaborative rehearsal or deep processing (e.g., its meaning is considered) is transferred to long-term memory.

- **Implicit memory**:

  Non intentional, unidentified and non-conscious retrieval of information previously encoded in memory → consumers frequently rely on their implicit memory, where attitude formation takes place introspectively, based on past emotional experiences
  - **Perceptual implicit memory**: physical proprieties of SLM stimulus are encoded
  - **Conceptual implicit memory**: semantic proprieties of the stimulus are encoded
  - **Highly relevant for sponsors**, because recipients' touch points with sponsors of events or other activities are mostly incidental and last very briefly

- **Explicit memory:**

  Intentional and conscious retrieval
  - **Less common in sponsorship** (recipients are interested in event or activities and not in sponsorship) → sponsorship messages will be remembered consciously if **relevance for the recipients is high**

Learning

Marketing managers can use 2 types of conditioning principles:
- **Classical conditioning** occurs when a **stimulus that elicits (=hervorrufen) a response** is paired **with** another **stimulus that** initially **does not elicit a response** on its own. Over time, this second stimulus causes a similar response because we **associate** it with the first stimulus (e.g. Malboro → Cowboy).
- **Instrumental (=operant) conditioning**: individual learns to perform behavior that produces positive outcomes and avoid those with negative outcomes
  → **used in SLM** when the environment provides **positive reinforcement in the form of a reward**
  (Women gets compliments for wearing Puma clothes)

- **Magnitude of the conditioned response depends on**
  - Respondents' attitude toward the unconditioned stimulus
  - Respondents' prior attitude toward the conditioned stimulus
  - Respondents' perception of the fit between the unconditioned and the conditioned stimulus

Competitors try to imitate → then cosumers either generalize or discriminate:
- **Stimulus generalization** refers to tendency of stimuli, similar to conditioned stimulus, to evoke similar conditioned responses (same message of two competitors)
- **Stimulus discrimination** occurs when an unconditioned stimulus does not follow a stimulus similar to a conditioned stimulus. When this happens, reactions weaken and will soon disappear.

Arousal and emotions

- **Arousal** = continuum of energy mobilization that affects both psychological and motor activity of the human organism → intensity of emotional reactions
- **Amygdala** is the emotional center of the brain controlling the states of arousal in individuals
- **Somatic marker hypothesis**: human decision-making influenced by emotional triggers (arousal states): **Body signals** (somatic markers) help individuals to **make favorable decisions** without much cognitive guidance under uncertainty, complexity or emotional importance → Response options are generated (somatic states) and **stored in memory** → **help** individuals to **make decisions in future**
- **Arousal states**
  - **Tonic arousal** describes the consciousness of individuals → changes very slowly over time
  - **Phasic arousal**
    - is affected in situations where the human body reacts to stimuli and prepares for body reaction short-term responses to stimuli → essential to survival
    - **Most relevant for SLM** → key determinant of consumers' decision-making in retail
    - affects attitudes and behaviors of sport spectators (=Zuschauer) → correlates with positive emotions, but also negative emotions (aggression against opponents)
- **Sponsors and somatic states**
  - **SLM aims on positive emotions**: highly arousing events induce emotional experiences that help individuals focus their attention, remember certain stimuli and make beneficial behavioral decisions
  - **Primary inducers** and **secondary inducers** can induce somatic states and thereby shape the influence of emotions on subsequent behavioral performances
    - **Primary inducers**: stimuli that are innate or learned to be pleasant or unpleasant → for decision making
    - **Secondary inducers**: recalling an emotional event in terms of thoughts and memories → Arousal helps individuals to memorize events, objects or persons

Motivation

Motivation = processes that lead people to behave as they do. occurs when a need is aroused and intensive enough that the consumer wishes to satisfy it.

Maslow (1943) proposed a hierarchy of needs from most to least pressing. The pyramid of needs (see figure below) includes (1) physiological needs, (2) safety needs, (3) social needs, (4) esteem needs, and (5) self-actualization needs.

Marketer's application of this hierarchy has been somewhat simplistic, especially as the same product or activity can gratify different needs. Another problem is that the concept is culture-bound; its assumptions may apply only to the Western culture.
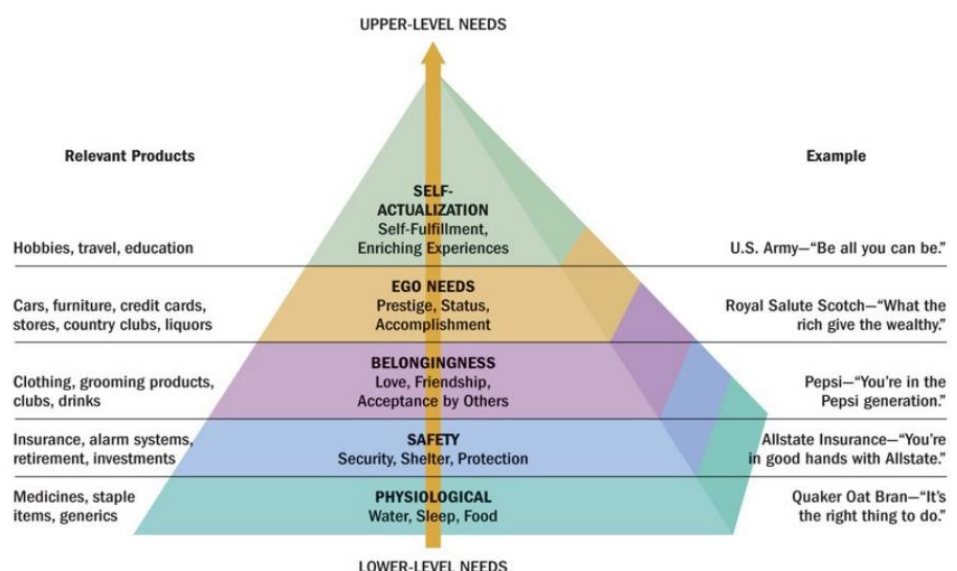
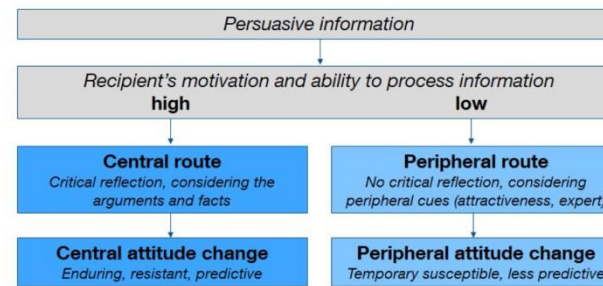## 3.2 Marketing communication models applicable to sponsorship

The elaboration likelihood model

proposes 2 routes of how marketing communication messages are being processed:

o **Central route**: New information (here: sponsorship stimuli) gets verified against background of already existing knowledge. This cognitive process is called elaboration. → enduring, resistant, predict the behavior of recipients well

o **Peripheral route** refers to low-involvement situations where individuals form or change attitudes without active deliberation or consideration. → **SLM messages processed on this route**

Depth of processing is influenced by two factors: the **motivation to process** and the **ability to process**:

o Only if **High** motivation **AND** ability to process information/involvement situations both → follow the central route

o **Low** motivation/ability to process information/involvement situations → follow the peripheral route

Persuasive information	
Recipient's motivation and ability to process information	
high	low
Central route Critical reflection, considering the arguments and facts	**Peripheral route** No critical reflection, considering peripheral cues (attractiveness, expert...)
Central attitude change Enduring, resistant, predictive	**Peripheral attitude change** Temporary susceptible, less predictive

The heuristic-systematic model

Heuristic-systematic model = alternative (but very similar) to the elaboration likelihood model

2 Types of individuals processing messages:

- o **Heuristic processing :**
    - Individuals use rules that are known/they have learned
    - Depending on the availability of heuristics (accessibility, applicability) they agree on communication messages without detailed information checking
    - Similar to the peripheral route in the elaboration likelihood model
- o **Systematic processing** :
    - Individuals process information → process is effortful + high involvement levels in recipients. → resulting attitudes are more stable/resistant
    - Similar to the central route in the elaboration likelihood model

The dual-attitude model

Basic thought: Individuals can evaluate same attitude object (here: sponsors) differently, depending on how conscious and cognitively controlled the attitude formation process is.

Two types of attitudes **:**

o **Implicit attitudes**:

　　evaluations that

　　　　a) have an unknown origin

　　　　b) are activated automatically

　　　　c) influence implicit responses (uncontrollable responses, not perceived as expression of own attitude → no attempt to control)

　　　　= attitudes that were once explicit but were replaced by a new explicit attitude.

　→ concept of implicit attitude formation is highly relevant because most contacts with sponsors are incidental (and, thus, not conscious and cognitively processed

o **Explicit attitudes**

attitudes that are both conscious and cognitively reflected

One person could simultaneously hold positive implicit attitude toward object, but negative explicit attitude towards same object.

Central goal: Shaping implicit attitudes of recipients in favorable ways to ensure sponsorship success against ambushers (ambush = Hinterhalt) i.e., brands that do not possess official sponsorship rights but still associate with a property.
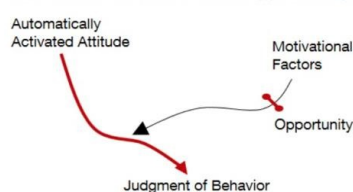
The MODE model

MODE = **M**otivation and **O**pportunity as **DE**terminants of whether the attitude-to-behavior process is primarily spontaneous or deliberative in nature. Two-process model like dual attitude model.

➔ Focuses on the processes by which attitudes influence judgments and behaviors.
➔ **spontaneous/automatic path**: judgement/behavior towards an object being influenced by one's **construal (Interpretation)** of the object in a situation, perceptions affected **automatically by attitudes**
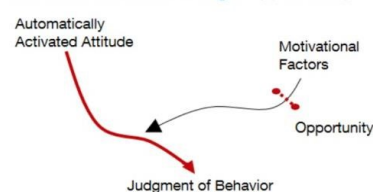➔ **deliberative path**: more **effortful**, analyzing costs & benefits, controlled

Figure:
▪ **Automatically activated attitude** = starting point for judgment and behavior
▪ Paths = consequences of attitudes, thickness shows extent of influence
▪ **Figures A & B: paths = spontaneous attitude-to-judgement processes, but: Motivational goals** can have a strong influence on judgments
▪ Opportunity = gate that determines to which extend motivational factors can influence judgement (If individuals are fatigued or cognitively depleted, or if the situation demands an immediate response, then there will be little opportunity to engage in motivated deliberation)
▪ Bottom right: gate open → motivational goals strong influence judgements → mitigates influence of automatically activated attitudes
▪ In sponsorship: **recipients don't have resources (bcs. attention is sw else) & time to process messages → automatic processes more relevant than deliberate processes**
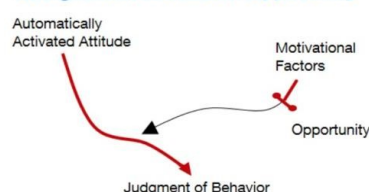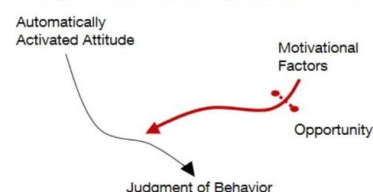

A. Low Motivation – Low Opportunity
B. Low Motivation – High Opportunity
C. High Motivation – Low Opportunity
D. High Motivation – High Opportunity

4. Theories on the effects of sponsorship-linked marketing I

Theories how sponsorship-linked marketing activities affect recipients of sponsorship messages. There is no single theory on how sponsorship affects recipients

## 4.1. The mere exposure effect/hypothesis

- **Repeated exposure** to a stimulus (over time) will engender an affective response
- **More often recipients saw stimuli → more positive was attitude**
- Important: **Recipients must not be aware**, e.g. in soccer small logos in tricots → peripheral route
- **Repeated exposure** eg. of brand logos → brands will become **more familiar → familiarity increases liking → positive attitude towards brand**

4.2. Arousal and involvement

- **Yerkes-Dodson law**: relationship between arousal and cognitive performance (e.g. brand awareness) is an inverted U. D
Different principles:

    - **Processing efficiency principle**: increase in arousal → increase in processing of stimulus-related information → greater acquisition and storage of information
    - **Intensity principle**: increased arousal too high (e.g. exciting match) → processing of peripheral information is inhibited (gehemmt)
    - e.g. Superbowl: Brand recall higher in the 1st half then in the 2nd more exciting half

The Yerkes-Dodson law
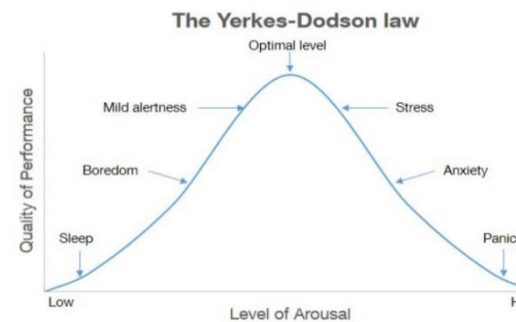
- **Moderate level of arousal is optimal**
    - Low levels of arousal: insufficient to create desired consumer responses
    - Moderate levels of arousal: increase capacity to process information in complex tasks
    - High levels of arousal reduce amount of processing capacity (sponsors gets out of focus)

→ **Yerkes-Dodson law only holds for complex tasks** (e.g. multitasking) and not for simple tasks

Two processes that account for the influence of arousal:
- **Selection effect**: as arousal increases, so does the influence of diagnostic cues (=Auslöser) that provide the relevant information to recipients
- **Representation effect:** arousal reduces the reliance on cues that are cognitively demanding

SLM messages are both **non-diagnostic cues** when following an event or activity and subject to **diverted attention in spectators**: **Highly arousal events reduce elaboration of sponsorship messages**
(cognitive self-control is reduced when individuals are highly aroused)

When are sponsors memorized best?
Memorization develops analogically to processing capacity. Low natural speed of cognitive processing during lowest levels of arousal (sleep, boredom). In states of high arousal, spectators select the information that is most relevant to them (e.g., the actions of the sporting event) and disregard information that is irrelevant to them (e.g., sponsorship messages).

➔ Optimum is between not too boring and not too exiting
➔ Still, from low-mid arousal sponsors can still profit by positive emotions

Implications for sponsors:
- ➔ Highly arousing messages should not be used in highly arousing environments and the other way round.
- ➔ Also, sponsors may choose easy-to-process contents in their commercials when recipients are highly aroused

(Goal conflict between event organizers (would like to achieve a very exciting event) and sponsors)

Involvement and sponsorship outcomes

Involvement = "individual level, internal state variable that indicates the amount of arousal, interest, or drive evoked by a particular stimulus or situation" ➔ most important: product (= sponsored entity) and media involvement

Involvement in sports:
- ▪ Direct positive effect on purchase intentions, brand awareness and brand attitude towards sponsors
- ▪ more pos. attitude towards sponsor ad when greater perceived fit between sponsor & event

Concept of **sports team involvement** describes spectators' connection to a team → high involvement levels**:**
> **Basking-in-reflected-glory** (BIRG): Decrease distance btw. individuals and successful teams
> **Cutting-off-reflected-failure** (CORF): Increase distance btw. individuals and unsuccessful teams

Empiric evidence: Highly connected sport fans were more likely to recognize the sponsor, have positive attitude toward the sponsor, are more satisfied with the sponsor, and **have higher purchase intentions.**

Involvement with team & attitudes towards sponsor don't correlate when a brand sponsors both favorite & rival team.

Team performance matters. Fans with low team identification levels respond more negatively (=decreasing purchase intentions of the sponsor's products) to a losing team than highly identified fans, because they tend to lower basking in reflected glory and increase cutting off reflected failure

4.3 Associative network theory

The greater the brand knowledge → the larger the set of linkages in associate network → the greater associate strength between sponsorship and brand.
Brand image is based upon **linkages** a consumer holds in his or her memory structure regarding the brand.

Both **item information** (item-specific information) **and relational information** (similarities among a class of events) are considered in **associative network theory**. This combines organizational memory theory & levels-of-processing theory:

Item information processing:
- • Based on **level-of-processing thinking theory**: good memory based on encoding of differences → lack of overlapping → **distinctiveness** of a particular item allowing discrimination (**distinctiveness encoding**)

Relational information processing:

- Based on **organizational-memory thinking theory**: similar features across various items produce **overlap** in memory → various related items encoded as a single, organized representation (**similarity encoding**)

With sponsorship example: **"Which brand is the major sponsor of the football World Cup?":**
- **Relational processing** required to activate memories related to the category "football World Cup." But may not be enough to provide a precise response.
- **Item processing** used to discriminate among all those activated representations in the "football World Cup" category, to identify the one with the distinctive feature of being a "major sponsor." It may be more important to emphasize the distinctiveness of the sponsor (provide item information) than to further develop the sponsor's relationship to the event.

➔ **Implications for SLM**: SLM managers should support the link between the **sponsor** and **activity** instead of relying on individuals' preexisting memory networks
(e.g. Coca Cola sponsores world cup → associate link is "connecting people" or "refreshment")

Associative networks are **most easily to manage** if the **competitors of a sponsor share as little associations as possible** with the brand and with the sponsored property.

In times of sponsorship clutter sponsors can rely on the fact that recipients and encode similarities between their brand and their sponsored property only to ensure highest sponsorship outcomes → **WRONG! item specific info should be provided as well!**

Simulated press-release paradigm:
- **simulated sponsorship press releases** as fictitious sponsorship deals are developed as a means of providing people with sponsorship information incorporating specific elements of interest
- **bold** arrow: strong preexisting semantic relationship
- **Incongruent** sponsor-event relationships (A, B) have weaker links than congruent ones (C, D)
- **Articulation** (sponsor provides an explanation for why the sponsorship makes sense) forms **additional links** (youth in B, D), which lead to improved memory compared to where there is no articulation (A, C)
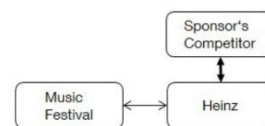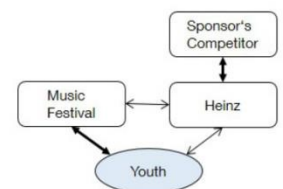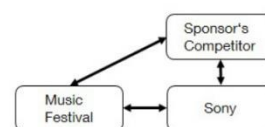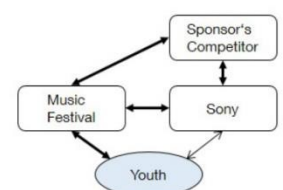

The limitations of Associative Network Theory
Proposes that sponsorships create representations, which include knowledge about the sponsors; both distinctiveness encoding and similarity encoding help create these representations.
However, it does not explain whether there is a transfer of attitude from one property (e.g., the sponsored entity) to another property (e.g., the sponsor) and how such a mechanism may work.
Attitude transfer models fill this void.

4.4 Attitude (=associations, images) transfer models

Attitude: " psychological tendency that is expressed by evaluating a particular entity with some degree of favor or disfavor"
→ (dis-)favor based on both **emotions and cognitions**, and is accompanied by both **conscious and unconscious processes**

Attitudes (=images) = collection of associations that individuals hold in memory regarding brand
→ when brand becomes linked with event, some of **associations** with the event may become indirectly associated with the brand
→ **linking of event associations = attitude transfer**
Concept of sponsored property sponsor-fit and articulation of a sponsorship can influence attitude transfer effects.

3 dimensions of attitude transfer:
- **Degree of cognitive control**: whether associations are transferred implicitly (without conscious awareness) and/or explicitly (with conscious awareness)
- **Valence** (Wertigkeit): whether positive or negative associations are transferred
- **Direction**: transfer of attitudes to/from the sponsor to/from the sponsored entity

Implicit attitude transfer:
- **Implicit attitude**s are outside of an individual's awareness → takes place in sponsorship
- When recipients are devoted to some other event or activity than the sponsorship messages
- **Automatically triggered attitudes** have potential to guide behaviors even though individuals may not even be able to retrieve attitude-forming information
- **No evidence** about implicit attitude transfer of negative associations and reverse directions of implicit attitude transfer (for now only positive & from sponsored property to sponsor)
- Example: sponsorship of tennis → transfer of association "strong" to brand

Explicit attitude transfer:
Explicit attitudes are attitudes that consumers are consciously aware of
- **Methods of measuring attitude transfer:**

    1. "**Solomon four block design**":
        - Measures attitude toward sponsor **before & after** sponsored event
        - make sure to assess the true cause and effect relationship by having an **experimental and a control group**, for half of them, attitudes are measured only once (post sponsorship) and the other half is measured twice (their attitude before and after)
        - transfer took place, **if experimental group has more positive attitude than control group**
        - disadvantages: time-consuming, many participants needed, some even twice, self-selection to attend events or not

    2. **Regressing** post-attitude of the brand/sponsor on pre-attitude toward the sponsor and attitude toward the event
        - Measuring incremental effect that sponsored event attitude has in sponsor attitude after event

- transfer took place, if **effects of attitude towards the event on the dependent variable is significant controlling for pre-event attitude**
- Advantage: No control group needed

3. **Assessing the similarity** between the attitude toward the sponsored event and the brand.
   - The smaller the overall score, the higher the similarity
   - transfer took place if they become more similar over time (measure becomes smaller over time)
   - Relating score to measures **over time or in sponsors and non-sponsors.**

Articulation facilitates attitude transfer from the sponsored event to the brand when the fit between sponsors and sponsored properties was low.

Attitude transfer when the sponsored property is an individual:
Theory of meaning transfer → celebrity endorsement (=Befürwortung): consumers assign "meaning" to celebrities based upon an individual's interpretation of celebrity's public image as demonstrated in media → **transfer to brand** (e.g. Thomas Müller advertisement for Gilette → masculine, popular,..)

Risk of attitude transfer:
Risk that attitudes are transferred that are **negative** and/or **inconsistent** with positioning goals of the company → companies should measure target consumers' attitude in advance to evaluate whether the associations are consistent with the brand goals (e.g. Deutsche Telekom ended sponsorship of cycling team because of doping)

Situational and personal factors that enhance (or reduce) effects:
Attitude transfer to sponsoring company is weaker if there are multiple sponsors & lower sponsorship levels (e.g., title sponsor versus perimeter fence signage). Furthermore, attitude transfer can be enhanced if spectators are highly involved with the property.

5. Theories on the effects of sponsorship-linked marketing II
This unit continues to deal with theories of **how sponsorship-linked marketing affects recipients.**

5.1 Schema Theory
- **Schema** = a cognitive structure, stored in memory that represents information about an object, concept or stimulus domain, including its attributes and the interrelations among the attributes
- **Schema in SLM**: structured memory traces about presence and activities of brands based on prior knowledge that is gained through personal experience with both sponsored properties and brands, on-site or via media

- **Assessing impact of high-fit sponsorships with schema theory:** High-fit sponsorship conforms to consumers' schemas and results in the experience of cognitive consistency → Individuals value this experience leading to favorable responses (example: sport sponsorship Adidas)
  → transfer of schema of sponsored property to schema of brand (see attitude transfer models)

- **Assessing impact of low-fit sponsorships with schema theory**: Low levels of fit cause inconsistency in individuals' minds → schema incongruity
    - **Schema incongruity theory** postulates that information that is **moderately incongruent** to existing schemas leads to **more favorable outcomes** (compared with moderately congruent information) because increase of consumers' **arousal and cognitive evaluations and processing motivation** → enables recipients to resolve discrepancies & produce meaning by assimilating new info
    - Sponsors with a moderately low fit to the sponsored property profit from leveraging their commercial sport sponsorship via corporate social responsibility → can produce at least same positive effects than moderately high fits
    - Implementing CSR (commercial sport + corp responsiblility) iinto the non-social sponsorship can resolve discrepancies in individuals when processing commercial sponsorship messages
    - Example: Pringles as ambusher (not official sponsor) of Wimbledon → packages similar to tennis ball packages stating "these are not tennis balls" → helped solving inconsistencies in humorous way

5.2 Congruency Theory

- **Congruency Theory** = storage in memory & retrieval of info from memory influenced by their relatedness or similarity → theoretical basis for the positive effects of high-fit sponsorships
- Same predictions as schema theory & explain effects if high fit
- **Competing theory:** Incongruent information requires more elaborate processing and results in greater recall → If individuals are motivated and able to process this information → higher recall

- **Marketing prominence bias**: If companies have a high prominence in the market, recollection based on heuristics (= recipients don't elaborate (=durchdenken) on sponsorship info) increases likelihood that recipients recollect (erinnern) to have noticed a sponsor even if sponsor may have not been present at all
    - **For small brands**: competitor with a large market share is more readily recalled and therefore thought to be the sponsor → negative for small high-fit sponsor
    - **Brands at parity**: vulnerable to confusion and misattributions when both major competitors are engaged in similar sponsorship activities

→ It makes sense for a large company to act as an ambusher when the brand has a high-fit to the sponsored property
→ If there is a close competitor from the perspective of a high-fit brand that also has a high fit to the sponsored property, sponsorship activities that are similar in nature to what the competitor is doing may help the competitor as much (or even more) as the own brand.

5.3 Attribution theory

- **Attributions** = recipients try to seek for answers when they pose "why"-questions (
- Attribution theory based on covariance model → individuals make causal inferences about events that they observe and experience
- **Two types of factors** that can shape an attribution of motive:
    - Personal factors internal to the actor
    - Situational factors external to the actor
    - When situational factors explain an event, personal factors are discounted

Application of attribution theory to sponsorship:
Motive perception for sponsorships:

	Self-centered **Extrinsic**: → mainly serving profit driven ends → e.g. sport events	Others-centered **Intrinsic** (i.e., benefitting society or altruistic, mainly serving non-profit-driven ends → CSR)
Positive	Self-serving, strategic motives	Value-driven motives, e.g. give sth back to society
Negative	Egoistic motives	Stakeholder-driven motives (**expectation of others**)

Sponsorship activities perceived as intrinsically motivated result in more positive reactions → sponsors should try to add CSR attributes to perception.

Best perception = mixed perception (extrinsic + intrinsic) → consumer adopt **win-win perspective**
→ consumers reaction was more positive when attributions were mixed
Sponsorship of mega-events, e.g. Olympic Games is likely to be attributed higher extrinsic motives

5.4 Social identity theory

- **Social identity theory** = People place themselves & others into social categories (e.g. sports participant, political group) → systematic way to define others & to locate oneself in social environment
- **Application to SLM:** organizational identification with sponsored cause → **higher purchase intentions**
- Team identification moderates effect of own attitude on intention to purchase, the more the higher the team identification
- higher purchase intentions will be more likely if intentions are perceived as important to other members of the group.

6. Visual attention to sponsors at the site of events and in the media

This unit takes a closer look at how the (first) visual contact that a person makes with a sponsor can be described

6.1 The definition of attention

- **Visual attention** = Process that allows individuals to select info that is relevant & disregard irrelevant interrupting info, they can alter this info to have it fulfill their goal- & state-related needs
- **Determinants of visual attention**:
    o **Knowledge about objects and circumstances of certain scenes** determines where individuals look (e.g. know where sponsor´s logo is placed → may increase attention if info is relevant, decrease if not)
    o **Learning from past experience** → e.g. consumers know that sponsors are displayed in breaks during sport game → know when to pay attention or not depending on the relevance of the information
    o **Nature of the observer's task**: sponsorship is not likely to be received when consumers focus on a task (e.g. like who scored the last goal) → sponsorships are not a task themselves

- **Neural pathways** (in low-involvement situations)
    o **Individuals' capacity** for information processing is **limited** → unwanted **information** needs to be **filtered out** → **competition** between objects for information processing
    o Two **major pathways** in the brain and the cortex of the brain for processing objects:

- **Ventral stream**: object recognition by receptive fields = critical resource for visual processing
- **Dorsal stream**: spatial perception and visuomotor performance

6.2 Scanpaths in visual attention

Scanpath theory describes the visual process in a **top-down** fashion by proposing that internal cognitive representations control both the **visual perception and eye movements** → pattern recognition
- Pattern recognition is a serial operation, meaning that brain processes information piece by piece
- Eye movements repeatedly follow **fixed paths** in the **learning phase** and then same paths in **recognition phase**

Use of scanpath theory: consumers' attention to print advertisements
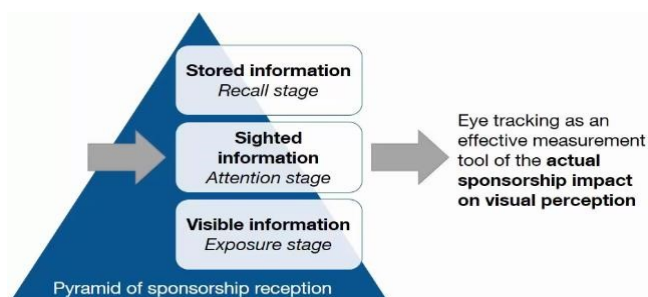
6.3 Bottom-up factors in visual attention

- Bottom-up factors =
  - stimuli that are part of **environment** and may thus affect attention of individuals.
  - mechanisms operating on raw sensory input
  - mainly automatic processes and do not depend on cognition or task demands
- Attention shifts to salient visual features that are of potential importance → mismatching **element in an otherwise homogeneous field (size, color, motion, exclusiveness, orientation**

Use in SLM: use of bottom-up guiding factors when they use visual marketing to exploit their sponsorship: **size, color, motion, exclusiveness, orientation, e.g. Usain Bolt wears golden colored Puma shoes**

6.4 Top-down-factors in visual attention

- Top-down factors =
  - stimuli that are part of the **individual** and may thus affect the attention of individuals
  - **cognitive processes from the person's side (active task)** → attention and working memory are closely related and may share common neural mechanisms
  - **Emotions** also contribute to the interplay between top-down factors and bottom-up factors as regards increasing visual attention

- **Interplay between top-down and bottom-up factors**: When no top-down information is present, **bottom-up signals exert a stronger influence on search guidance than top-down** signals → relevant for SLM since processing of sponsorship information is rarely considered as an active task
- bottom up factors not always dominate top down, but there is an interplay between the 2 factors

- **Top-down factors that may increase/decrease visual attention to sponsorship:**
    - **Arousal** = basic neurophysiological process underlying all processes in the human organism Inverted U by Yerkes-Dodson). To date it remains unclear how arousal affects visual attention in sponsorship contexts

    - **Emotions** may widen or narrow visual attention

    - **Involvement**
        - = a person's interest evoked by a particular stimulus or situation; involvement is indicated by the personal relevance of an object or a situation.
        - Consumers with high task motivation filter brand information less, pictorial information more (e.g. concentrate more on brand name)
        - Influences visual attention on different visual elements of a product
        - If someone is highly involved into the sponsorship, visual attention will increase when confronted with a sponsorship message

    - **Attitudes**
        - = a psychological tendency that is expressed by evaluating a particular entity with some degree of favor or disfavor; the attitudes may refer to the sponsored property, but also to the sponsor or to sponsorship in general.
        - Attitude-evoking stimuli attract attention automatically → accessible attitudes provide the benefit of orienting an individual's visual attention toward objects with potential hedonic consequences

6.5 Empirical evidence on visual attention to sponsors

Attention = bottleneck for any sponsorship outcomes → only information that recipients attend to can be processed → Attention functions as a mediator between exposure and memory effects.

Pyramid of sponsorship information processing:
- **Stored memory** assessed via aided or unaided recall (measure of explicit memory effects)
- **Recall stage** assesses the participants' memory of sponsorship information
  ----
- **Attention stage** contains only information selected by the viewer's visual system.
- Attention is basis for any learning processes involved → attitude formation processes
  ----
- Exposure stage represents all information that a person is exposed to
- **Exposure** assessed via media exposure metrics

- Bartsch & Koenigstorfer found that animated billboards increased visual attention to sponsorship, particulary, when the football game did not arouse participants much because of low game activity.
- The larger the size of the sponsorship information the higher the visual attention to the sponsorship.
- Motion increases visual attention to sponsorship in particular when game activity is low.
- There is a positive relationship between visual attention to sponsorship and correct recall of the sponsors.
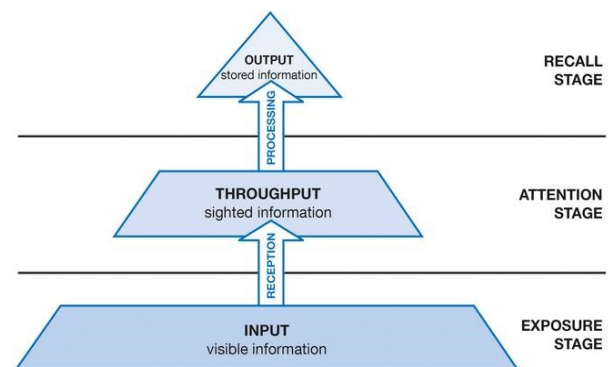
7. Measuring and interpreting sponsorship outcome variables

7.1 Introduction

Sponsorship begins with the goals and sponsorship ends with the goals!

Measure goal fulfillment: **non-financial goals**, often termed **return on objectives (ROO)**

Summary of stages:
- The exposure stage represents all information that a person is exposed to
- The attention stage contains only information selected by the viewer's visual system
- The recall stage assesses the participants' memory of sponsorship information

Based on memory effects (moving from the bottom to the top of the pyramid), recipients of SLM messages recognize sponsors and form evaluations of sponsors.

→ SLM outcome measures to quantify
- **the recognition** → assesses the participants' recognition of sponsorship information
- **the evaluation** → assesses the participants' tendency to react positively (or negatively) to sponsors when thinking about them

7.2 Exposure

Frequency of the contact with a sponsored entity

Media exposure metrics → assessment of sponsor signage exposure time in seconds that a certain sponsor appears in the media

$$CPM = \frac{\text{Sponsorship cost}}{\text{Audience}} \times 1000$$

CPM = Cost per Mille / Cost per 1000 impressions

Pros: easy interpretation → simple overview of how beneficial and costly certain sponsorship alternatives (in different channels) are

Cons:
- No evidence that recipients actually attend to (and process) the SLM information
- No differentiation between exposure exclusively or with other sponsors
- No consideration of size differences

Online Sponsorship → assessing clicking and online purchasing behavior

View-Through-Rate
- $VTR = \frac{\text{Viewthroughs}}{\text{Impressions}} \cdot 100\%$
- measures the passive but self-directed impact from a particular online sponsorship (e.g., banner, videos) → no immediate measure of response

Click-Through-Rate
- $CTR = \frac{\text{Clicks}}{\text{Impressions}} \cdot 100\%$
- measure the immediate impact of an online sponsorship (clicks by users)

Conversation Rate $CR = \frac{\text{Number of users purchasing an offering}}{\text{Numbers of users clicking on the campaign}} \cdot 100\%$

Social media requires the measurement of further variables:
- **Buzz monitoring** indicates the "noise" (i.e., mentions) and dimensions of this, such as the location of the mentions and inter-event comparison
- **Sentiment** examine the positivity or otherwise of comments in the social media; it goes beyond buzzes because it includes an evaluation
- **Engagement** can be operationalized via "likes", "fans", "content engagement"

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7.3 Attention

- Eye tracker to measure visual attention → measure fixation on object (while fixation on object information is processed)
- **Static eye trackers**: both illumination and eye camera on a table. Stimulus material is provided via screens
- **Remote eye trackers** are capable of viewing participant's eye from distance → more expensive, less accurate
- **Head-mounted eye trackers** have both illumination and cameras on top of head of the participant → mobility

Pros:
- Attention (not exposure) is measured → measure comes closer to what recipients actually process
- Differences in size and clutter can be accounted (competition of stimuli for recipients' visual attention
- Bottom-up factors (e.g. color, movement, shape) can be examined and combined with top-down factors (e.g. involvement)

Cons:
- Recipients must be exposed to a technological device → time-consuming, expensive, and effortful
- Recipients are aware of being tracked → reduces external validity of the findings
- Information is not easy to interpret, especially when recipients attend to stimuli accidently

7.4 Recall

Recall assesses whether recipients remember sponsors (correctly). Recall is a measure of the explicit memory, that is, the "conscious recollection of recently presented information"

Two types of recall measures:
Unaided (or free) recall: participant is asked to recall a sponsor without help.
Aided recall: participant gets help through different aids in recalling a sponsor. → e.g. "Which airline company / companies do you recall that is (are) associated with the (name) event?"
Pros: easy/fast to measure, no technological equipment needed, information are compatible with traditional (cognition-based) models of marketing communication success
Cons:
- Rely on the memory of recipients and on degree to which recipients can retrieve the information consciously and state (or write down) this information
- Influenced by so-called new response construction bias → participants come up/make up plausible answers Percentage of sponsors recalled depends on research context: strong context → higher recall

7.5 Recognition

Measures how good participants are able to recognize sponsors (i.e., a measure of explicit memory).
→ e.g. "Which of the following brands do you recognize that are associated with the (name) event?"
Lufthansa, Emirates, KLM, US Airways.
Order of measurement: Free recall, aided recall, and recognition separately

Dealing with the market prominence bias:

Prominent brands are more likely to be recalled than non-prominent ones → higher prominence support people's recollections if they are the actual sponsors → when people are not sure, they choose prominent brands (biased)

Countermeasure:

▪ **Use foils** (= non-sponsoring competitors with similar market share and brand awareness → control stimulus) → **Record hit rate and false alarm rate:**

	Actual sponsor	Not a sponsor
Correct identification	Sponsor → "Hit"	Not a Sponsor → "Correct rejection"
Incorrect identification	Not a sponsor → "Miss"	Sponsor → "False alarm"

$$\text{Corrected accuracy} = \frac{p\,[hit] - p\,[false\ alarm]}{1 - p\,[false\ alarm]}$$

▪ **d'-score** = z-score(hits) – z-score(false alarms)
▪ Positive and high d' scores → sponsors has high recognition values compared to competitor
▪ Negative values → competitor receives higher recognition scores than the sponsor

▪ **Include indirect measurement tools in the study**

7.6 Implicit memory

Recipients of sponsorship-linked marketing messages may not always be cognitively aware of the sponsorship. Therefore, implicit memory measurement tools have been developed to capture unconscious processes in recipients.

▪ **Implicit memory** = non-intentional and unconscious retrieval of information previously encoded in memory
▪ **Goal**: capture unconscious processes in recipients
▪ **Measurement tools**: assessment must not require conscious or intentional recollection of memories.
  o Implicit Association Test
  o Lexical Decision Task
  o Word Stem Completion Task
  o Artificial Grammar Learning
  o Word Fragment Completion
  o Perceptual tests, such as the Word Identification Task, Degraded Word Naming, and Anagram Solution o Non-verbal tests, such as Picture Fragment Naming, Object Decision Task, and Possible/Impossible Object Decision
  o Conceptual tests, such as the Word Association Test, Category Instance Generation, and General Knowledge Questions

7.7 Explicit sponsor evaluation

▪ **Brand credibility**: reflects the perceived expertise and trustworthiness of a brand
▪ **CSR perception**: brand's (or company's) general character with respect to its perceived societal obligations
▪ **Brand personality**: human characteristics that are associated with a brand (or a company) → sincerity, excitement, competence, sophistication, and ruggedness
▪ **Brand attitude**: can be measured via semantic differentials or rating scales, with respect not only to the sponsor brand, but also to the sponsorship communication, toward the sponsorship itself or toward the (celebrity) endorser of the sponsorship.

- **Brand experience**: subjective, internal consumer responses (sensations, feelings, cognitions) and behavioral responses evoked by brand-related stimuli (brand's design, identity, packaging, communication, environment)

7.8 Implicit sponsor evaluation

- **Implicit memory measurement tools**
  - Affective Priming Task
  - (Extrinsic) Affective Simon Task
  - Evaluative Priming Task
  - Semantic Priming Task
  - Approach-Avoidance Task
- **Pros**: Reducing social desirability concerns, intentional faking, (self-)deception, self-presentation
- **Cons**: Laboratory settings are needed, difficult to interpret, controlled situations cannot be guaranteed in field, Interviewers need psychological training, sample sizes are often smaller, tests are time-consuming and costly

Implict versus explicit measures:
Combination of the measures helps best evaluate the impact of sponsorship-linked marketing most accurately.

7.9 Employee outcomes

Most outcome variables that have been described before have been assessed in **consumers**.
Employees can be targets of sponsorship as well. **Strengthening the relationship with employees** is important because committed and satisfied employees are more motivated to achieve company's goals.
Potential outcomes measures may include:

- Commitment to, and identification with, the employer
- Job satisfaction and motivation
- Loyalty to the employer
- Company pride

Sponsorship can also help to **recruit** staff (by positively influencing brand value, awareness etc.)!

8. Sponsorship-linked marketing and the financial success of brands

Financial success can be measured by accounting indicators, such as cash flows, profitability, and financial market indicators of investor value. In particular, this unit will look at shareholder value developments of companies that engage in sponsorship over time. The unit will also describe the concept of return on investment as well as brand equity models.

8.1 Shareholder value and how sponsorship affects shareholder value

- Ultimate goal of SLM is to influence the behavior of stakeholders → **return on investment** (**ROI**)
- **Challenges in measuring ROI**
  - **Time lag between sponsorship activities** and when behavioral decisions take place
  - **Parallel marketing activities employed by the sponsor** (and its competitors) that may also influence the behavior of stakeholders
  - **Range of possible behaviors is large** and any controlling activities of whether these behaviors have been influenced or not by SLM depend on the pre-defined goals of the SLM strategy
- **Overall measures of financial success** (i.e., shareholder value = Unternehmenswert)

Although shareholder value variables might be affected by more factors than behaviors of stakeholders, it can be operationalized more easily with regard to specific points in time when companies **control their sponsorship-linked marketing activities over time**, or when companies **compare effectiveness of investments into SLM activities as opposed to competitors**.

- **Shareholder value**
  - **Equity as part of the capitalization** of the company Shareholder value is measured via **stock return** or valuation methods eg. discounted cash flow model
  - **Sponsorship announcements** contain information about **future positive cash flows** → **positively impact the market value**

Moderators of the relationship between sponsorship and shareholder value

- **Fit between sponsor and sponsored property**: positive effect because investors rewarded high-fits
- **Leveraging and activation of sponsorship**:
  - **Leveraging**: collateral marketing communications → association with sponsored property
  - **Activation**: engage with and involve audiences → participation in the sponsor's activities
- **Sponsorship by high-tech brands**: High-tech brands use sponsorship as signal to communicate that they are powerful and strong. (they are considered to be amorphous compared to conventional firms)
- **Duration of the sponsorship**: Long-term more positive → investors reward loyalty (consistency in mind) VS. short term has stronger impacts (new information to investors)
- **Sponsorship motive**: Sponsorships with philanthropic motives yield more positive stock returns than sponsorships that are driven by commercial motives
- **Success in sports** (realized by sponsored property): success is positively related with positive abnormal return although more expensive.
- **Agency problem**: decision-makers of sponsors do not make economic decisions → own interests

The basic principle of event studies

- **Event study** = methodological procedure to measure changes in financial value of companies over time in relation with certain events → measure the effect of an unanticipated event on stock prices.
- Allows statement whether company's investors view sponsorship-linked marketing activities favorably or not
- **Abnormal returns** = differences between the returns observed and normal stock return that the regression model predicted for the day of event, some days prior and afterwards.
- **Positive abnormal stock price gains** → marketplace evaluated investment into SLM favorably; **Negative abnormal stock price gains** → marketplace evaluated investment into SLM negatively. These abnormal returns are then aggregated across firms and over time. Statistical tests determine whether the abnormal returns are significant as opposed to some market model, and if so, for how long.
- Underlying assumption: **Stock prices reflect their intrinsic values** → useful in SLM to calculate net present values (of event or only announcement) without having to know the costs of the events.
- **Market model** = standard model for calculating normal returns → calculates relationship between brand's stock and reference index via regression analyses.
- **Data analysis** for assessing effects of sponsorship announcements on shareholder values
  - 1. Calculation of **daily deviations of actual returns from expected returns** → market model describes normal return of a certain brand at a certain day
  - 2. **Average of daily abnormal returns** among all brands → test statistical significance → Calculate
    Average Abnormal Return (AAR)
  - 3. **Cumulated Average Abnormal Returns (CAAR)** to analyze whether figures are affected by **other factors** → Independent variables include factors (eg. size, SLM duration, new or renewed contract)
- **Data sources** → parallel events influencing stock value need to be exchanged

- Existing data sources e.g. World Sponsorship Monitor
- Databases e.g. Factiva and Lexis-Nexis
- Stock exchange

- **Limitations of event studies**
    - **Accounting-based measures** of profit may **not be a good indicator** of the **true performance** of firms
    - **Sponsorship deals may not be linked directly effect stock price**, because investors often do not behave economically and not all information available → Not all publicly available information is reflected in a firm's share price

8.2 Return on investment
- **ROI** = benefit (profit) that an investor gets from his or her investment
- ROI cannot be directly applied to assessing financial return of company, because large amount of revenue is caused by other factors:
- **Variable contribution margin** (VCM) = variable profit per unit = product unit price – product unit costs   **Incremental volume** =number of units sold more than normal sales volume.

$$ROI = \frac{(VCM \times Incremental\ Volume) - Total\ Cost}{Total\ Cost}$$

- The challenge of specifying the variables that are part of the formula
    - **Level of analysis to calculate costs**: macro level or micro level. → "funnel-shape" ROI approach
    - **Time perspective of the analysis** short-term effects (micro level) or long-term effects (macro level)

8.3 The use of brand equity models
- Purpose of brand equity models
    - Limitations of event studies → **brand equity = holistic concept to indicate success of company**
    - Brand equity combines consumer-related antecedents of purchase decision-making with financial success variables of a company → brand equity as added value endowed on products and services which may be reflected in the way consumers think, feel and act with respect to the brand.
- **Brand equity models serve at least two functions**
    - **Diagnosis based on brand equity measures**: Brand equity models deliver quantitative indicator of quality of brand management → test whether SLM increase brand equity.
    - **Evaluation based on brand equity measures**: arguments for selling branding rights or whole companies or when negotiating licensing fees can be provided in order to determine the price for the company or the licensing contract.
- **Keller's landmark model on brand equity**
    - Most widely used approach to assess brand equity
    - **Brand equity** represents the differential effect of brand knowledge on consumer response to marketing of that brand
    - **Brand knowledge** includes brand awareness and brand image, where brand image is defined as "perceptions about a brand as reflected by brand associations held in consumer memory"

Three major categories of brand associations:
1. **Attributes** = descriptive features can be product-related or non-product-related

2. **Benefits** = personal values that consumers attach to product attributes → what consumers think the product or service can do for them.
3. **Attitudes** = overall evaluation of brand → form basis for consumer behavior responses

Brand-building process:
From brand identity to consumer engagement
1. Ensure **brand identity** → create consumer identification with brand and association with specific product class → brand salience must exist = consumers are aware of brand → consumption situations come to mind when consumers think of the brand.
2. **Brand meaning** helps define and differentiate those associations → two key dimensions:
   functional/performance attributes (reliability, quality, prices) and abstract imagery (brand personality and brand values)
3. **Brand response** → two components:
   Judgments = cognitive responses consumers have to brand stimuli
   Brand feelings = affective responses (such as warmth, fun, and excitement)
4. **Consumer engagement** with brands → results in higher levels of involvement with the brand, increases brand loyalty, develops strong brand relationships (e.g. brand community)

- **Extensions of the landmark model**
  - Keller and Lehmann (2006): **model states that customers are assets of a brand**, because their judgments and feelings, their attitudes, attachment, activities/responses determine "what customers do about a brand," → ultimately affects financial success of a company
  - Brand equity model can depict relationships between SLM and the sponsorship outcome measures

Evidence in SLM studies: Only few studies because many variables are difficult to operationalize/measure

9. Leveraging tools in SLM

This unit deals with sponsors' possibilities to leverage the sponsorship. Leveraging means that sponsors do not only buy sponsorship rights from a property, but go from there to begin fully exploiting the potential of the sponsorship by implementing marketing activities that contribute to the pre-defined goals in SLM.

9.1 Definitions

- **Leveraging of sponsorship** = using collateral marketing communications to exploit the commercial potential of the association between a sponsee and sponsor
- **Additional spendings on communications and licensing fees**
- Tool to facilitate **coordination** between **audiences**, **volunteers**, **employees**, **events**, **activities**, sales **promotions**, **merchandise**, **co-sponsors**, **media**
- Particularly attractive for **low-fit sponsor facilitate consumer brand-event associations** → building associative networks and **attitude transfer** (brand attitude) → articulate relatedness between sponsor and event in the media → **explaining the relationship between entities**

9.2 Types and effects of leveraging tools

Goal = to stand out of the crowd of co-sponsors
Most important leveraging tools

- o Public relations (77%) = sharing information with the public, and manage relationship to the public
- o Internal communications (77%)
- o Hospitality (75%)
- o Social Media (74%)
- o Traditional advertising (72%)
- o Internet tie-ins (60%)
- o Sampling on-site (59%)
- o Business-to-business communications (51%)
- o Sales promotion offers (44%)
- o Direct marketing (43%) = direct mail, telemarketing, Email-marketing, broadcast faxing, couponing, direct selling, direct advertising

Leveraging (and articulation) effects:
- influence the **same outcome variables** as non-leveraged sponsorships → **increase the effectiveness** when communicating with the pre-defined target groups
- increase **sponsorship awareness**
- increase **correct sponsor identification**
- increase **attitude** towards the sponsor
- increase **differentiation** between **sponsors and non-sponsors**
- provide **preventive protection** against ambush marketing

Considering low-fit sponsors (profits more from leveraging):
- Low-fit sponsorships make less intuitive sense to consumers. → no direct connection between company's products and sponsored event
- Leveraging = articulation of indirect (functional) fit → stronger effects on outcome variables compared to situation when high-fit sponsors engage in sponsorship, because high-fit sponsors' sponsorship does already make sense a priori.
- Low-fit → weak associative links in memory → articulation of the relationship creates additional links → improves memory → similar outcomes as high-fit

9.3 Leveraging via activation
- Beside articulation, activational communications (or "activation") is a subset of sponsorship leverage
- **Activation** = communications that promote the engagement, involvement, or participation of the sponsorship audience with the sponsor → e.g. event-related sweepstakes, event-driven mobile Internet competitions, and event-themed brand websites
- **Non-activational communications** = passive brands communication to target groups to promote the sponsorship association

On-site activation versus activation via the media
Two main target audiences of activation → Leveraging tools can reach both:
Audience participating in sponsored event OR audience outside the setting reached via media
- o **On-site activation**: aim to create an attractive and memorable sponsorship experience → engage consumers with brand → attendees experience brand via all five senses and that sponsors influence the way consumers interact with the brand → consumers evaluate sponsorship more favorably; low-fit sponsors particularly profit from on-site activation of sponsorship as regards brand attitudes and attitude transfer
- o **Activation via the media**: activation at the mass-media audience level. In an experimental study → activational sponsor websites produce more favorable attitudes than non-activational websites.

9.4 Leveraging commercial sponsorship via CSR

Commercial sponsorship → sponsorship perceived for mainly commercial (vs. philanthropic) reasons

Adding CSR to commercial sponsorship: link commercial sponsorship with CSR activities

- **Result**: Reduce reactance and increase outcomes of sponsorship by activating a triangle of associations between brand, sponsored events and CSR
- **Reason**: signals that a brand is "doing good" in terms of serving a society's needs:
  > **Social giving (CSR) schema and Event schema**: producing higher levels of **CSR perception** → **brand credibility** (consumers' tendency to perceive a brand as trustworthy, reliable, and high in expertise) → positive influence on brand attitudes

Fit and the effects of CSR-linked sponsorship

- **Low fit**: higher increase in consumer CSR perception for brands with a moderately low fit to the sponsored event (vs. brands with moderately high fit) → activated more memory centers associated with importance of social giving → schema-level affect transfer of brand attitudes. → enhance attitudes, only when non-commercially oriented explanation for sponsorship is used on website.
- **High fit**:
  - additional information about CSR no effects on brand evaluations → low motivation to process information about pairings with moderately high congruity → activation of schemas was less pronounced → schema-level affect transfer less likely.
  - Consumers expect high fit brands to be involved with sponsored event itself. → CSR content may even be perceived as illogical because inconsistent with brand's positioning
  - Linking CSR to sponsorship affect CSR perception, brand credibility and attitude

10. Non-sponsor brand behaviors in sponsorship markets: Official sponsorship versus ambush marketing

We first provide definitions of ambush marketing. Based on these definitions, we distinguish different ambush marketing strategies, including direct, indirect and incidental ambush marketing. We also discuss the effects of ambush marketing on both sponsors and ambushers, and what the protection tools against ambush marketing practices are.

10.1 Definition of ambush marketing

- **Ambushers do not possess sponsorship rights** → try to profit from association of their brand with an event
- **Ambush marketing** = is the (successful) communication of the association of a brand with a property without the purchase of legitimate sponsorship rights → variety of wholly legitimate and morally correct methods of intruding upon public consciousness surrounding an event."

10.2 Popularity of ambush marketing

Has increased over recent years → reaction to limitation of number of sponsors by event organizers (guarantee exclusivity) and to high cost of sponsorship rights.

Reasons for ambush marketing: Financial budget for brand communication, communication strategies and channels for their brands, brand evaluations to be achieved, gaining same benefits of association with an event as sponsorship, while maintaining own brand ethos.

Today, social media is often used to distribute and leverage an ambush marketing campaign

10.3 Ambush marketing strategies:

- ▪ **Direct ambush activities**: The intended, targeted association of a brand (by an ambusher) with an event or property, through a clear, explicit reference or an intended connection to the ambushee → provides sponsors most possibilities to legally sue ambushers
  - ▪ **PREDATORY ambush marketing**: intentionally and knowingly **attacking a rival's official sponsorship** → gain market share and to confuse consumers (who is the official sponsor)
  - ▪ **COATTAIL ambush marketing**: The attempt by an organization to directly associate itself with a property for the purpose of ambushing through a legitimate link, such as **sponsoring of participating athletes/teams** without securing official event sponsor status
  - ▪ **PROPERTY INFRINGEMENT ambush marketing**: **intentional use** of protected intellectual property, e.g. **logos, names, words, symbols of the sponsored event→ knowingly infringing on rules and regulations** of an event, in a brand's marketing as a means of attaching itself in the eyes of consumers to a particular property or event.
- ▪ **Indirect (or associative) ambush activities**: The association of a brand with an event or property, through **suggestion or indirect reference**, drawing on awareness and attention of consumers surrounding an event, without expressing reference or attachment to the property
  - ▪ **SPONSOR SELF** ambush marketing: SLM activities of official sponsor go above and beyond sponsorship contract → effectively ambushing the property that they support → infringing upon other official sponsors.
  - ▪ **ASSOCIATIVE** ambush marketing**:** The use of imagery or terminology to create an allusion that an organization has links to a property, without making any specific references or implying an official association with the property.
  - ▪ **DISTRACTIVE** ambush marketing**:** creation of a presence or disruption at property/event in order to promote brand, without specific reference to event itself (imagery, themes) in order to intrude upon public consciousness and gain awareness from the event's audience.
  - ▪ **VALUES** ambush marketing**:** The use of an event or property's central value or theme to imply an association with the property in the mind of the consumer.
  - ▪ **INSURGENT** ambush marketing**:** use of surprise, aggressively promoted, one-off street-style promotions or giveaways at an event, in order to maximize awareness, while minimizing investment and distracting attention away from official sponsors and the event itself.
  - ▪ **PARALLEL PROPERTY** ambush marketing: creation/sponsorship of a rival event/property to be run in parallel to the main ambush target, associating the brand with the sport or the industry at the time of the event, thus capitalizing on the main event's goodwill.
- ▪ **Incidental (or unintentional) ambush activities**: The presumed association of a brand with an event or property, without that brand establishing a clear, explicit, or intended connection
  - ▪ **UNINTENTIONAL** ambush marketing: incorrect consumer identification of a non-sponsoring company as an official sponsor, unknowingly or inexplicitly, based on a previous or expected association with an event.
  - ▪ **SATURATION** ambush marketing: strategic increase in the amount of marketing communications around the time of an event by a non-sponsor in order to maximize awareness of the brand during the event → aggressively marketing: maximizing the use of available advertising before/during/after broadcast in the media

The role of social media → Online promotions (no borders), viral marketing, television advertising have become more and more relevant.

10.4 Effects of ambush marketing on sponsors and ambushers

Creates consumer confusion → official sponsor may derive less benefit from its involvement → derive the same brand association benefits as official sponsors, but lower costs

Pursue both marketing and communication goals that do not necessarily harm sponsors → positively influencing the same variables as for effects of sponsorship (conscious and unconscious processes):

- **Exposure and Attention**
- **Recall and recognition**: official sponsors achieve higher levels of awareness than ambushers → common goals = long term awareness
- **Brand evaluation**
- **Brand equity and financial success**
  - **(Implicit) attitudes formation**: sponsors link their brand more closely to sponsored properties (compared to ambushers) → both influences implicit attitude formation processes. → long-term sponsorship influences implicit attitudes more positively/favorably (vs. ambushers) → sponsors profit more (implicit memory)

Attitude formation towards sponsors versus ambushers

Implicit attitudes important outcomes of long-term sponsorship, allow for differentiation from ambushers

- **Implications for sponsors:**
  - Connect the brand with consumer rewards, these emotional experiences will be stored in the implicit memory
  - Relate preprogrammed biological emotions to the brand, e.g. early childhood experiences
  - Be consistent in the sponsorship to uniquely associate one brand with the sponsored property

Is ambush marketing a threat to official sponsors?

- Yes, because **ethical and fairness concerns** about the practice of ambush marketing **are low** → do **not harm evaluations** of the ambushers' brands
- **Ambushers** try to **implicitly or explicitly connect their brand to the emotions** and rewards triggered by the event (e.g. sponsorship of single athletes)
- Humor helps ambushers to reduce negative cognitions related to advertisements, because it distracts from counter-argumentation employed by recipients

Legal perspective and designing protection strategies against ambushers

- **Naming and shaming**: disclose inappropriate behavior of ambusher and publicly criticize ambusher brand or its CEO. → but contra-productive side-effects:
  - creating/strengthening link between the ambusher brand and the event
  - attacking a competitor brand in an ad often produces a **backlash effect** on the image of the sponsoring brand → perceived as unfair offensive and less believable
  - bringing more attention to the matter and thereby to the ambushing brand
- **Legal actions**: → must-have by contracts, but limited effectiveness
- **Consumer education** → inform public about negative consequences of ambush marketing
  - Cons: needs an extra campaign, causes a lot of effort, public might not care about the topic
- **Making fun of the ambusher / humorous advertising:**
  - **Goals:** lower acceptance of ambush marketing, higher awareness of official sponsor, decreased brand attitudes or low believability of the ambusher brand
- **Ignore and not respond**
  - Pros: eliminates all the risk of making a bad impression when reacting to ambush marketing
  - Cons: ambusher could reach their desired goal and be motivated to attack again with a similar strategy next time.

Consumer attitudes to the protection of the sponsorship rights → degree to which consumers think the execution of the protection rights to inhibit ambushing is justified is determined by three factors:

1. **Attitude held by consumers towards commercialization of events or properties**

- if negative attitudes due to the perception of over-commercialization → less acceptance of SLM
- If consumers have positive attitude → "naming and shaming" or "consumer education"
- If consumers have negative attitude → "ignore/not respond" or "humorous advertising"

2. **Attitude towards the organizers of the events or the property holders**
   - If consumers have positive attitude → all
   - If consumers have negative attitude → "ignore/not respond" or "humorous advertising"

3. **Attitude towards ambush marketing in general**
   - familiarity of consumers with ambush marketing has eliminated sense of unfair behavior → **indifference of consumers to its use** → counterambushing measures by sponsors can even strengthen an ambusher-event relationship in memory
   - If consumers have positive attitude → "ignore/not respond" or "humorous advertising"
   - If consumers have negative attitude → "naming and shaming" or "consumer education"

11. The sponsor perspective: How to create unique sponsorship portfolios

This unit provides an overview of sponsorship portfolio management: responsibility of sponsorship management within companies, the role of intermediaries, and how companies select the properties that they want to sponsor.

11.1 Sponsorship decision-making in companies

Multi-step process that is different from company to company.

Types of purchasing opportunities:
- New sponsorship: when sponsorship is taken over by another company in the same industry (e.g. Nike – Adidas), carryover recollections of the previous sponsor might influence the outcome variables with regard to the new sponsor
- Modified/straight sponsorship rebuy: only influenced by one´s own company´s activities that have taken place before

Stages in decision making:
1. **pre-approach context**: Analyzing the current situation of sponsorship
2. **approach stage**: Approaching potential properties to be sponsored
3. **evaluation stage**: Evaluating the potential properties to be sponsored
4. **decision stage**: Deciding which property to sponsor (and not to sponsor)
5. **post-decision stage**: Managing the relationship with the sponsored property

Decision makers: CEO and other top managers, marketing division, public relations division, sponsorship division → depends on company size

Barriers that need to be overcome in the decision-making process:
- SLM should aim to reach the **company´s marketing goals**, not only advertising/communication goals
- **Measure relevant sponsorship outcomes** (depending on goals and implementations) → controlling
- **SLM should be complimentary** (but not as a substitute) to existing activities.

Self-interest of decision-makers: **Principal agent problem**: SLM selections are motivated by self-interest of decision-makers → own interests of non-owner managers above company interest → but no empirical evidence

Role of intermediaries: Creating win-win situations for sponsors and sponsored properties by helping them to identify and locate each other → matching services and proposal manager services (helps manage (the sometimes overwhelming) requests from sponsor seekers to sponsor areas)

11.2 Selecting sponsorships as part of sponsorship portfolios

- **Decision to sponsor property or not is made depending on planning steps**: situational analyses, definition of SLM objectives, potential to communicate with target group, potential to link sponsor and sponsored property
- **Complex sponsorship portfolios with multiple sponsorships** = collection of brand and/or company sponsorships comprising sequential and/or simultaneous involvement with events, activities and utilized to communicate with various audiences
  - **Advantages**: potential to reach more recipients and recipients from different target groups
  - **Challenges**: do no identical properties, meaning that they are distinctive in associations, sometimes even seemingly incompatible

Relevance of fit: Associative network theory explain positive effects of sponsor-sponsored property fit → **processing of the sponsorship portfolio** and their **evaluations of the sponsor's brand attitude**:
- **Existing portfolios** include sponsored properties and the brand (which is shared). When new sponsorship added to a brand's sponsorship portfolio, a new sponsored property activates corresponding concepts in memory that tie to the sponsor (extent of spreading activation depends on relatedness of brand) → changes the perception of the brand, because the knowledge network of recipients is altered.
- **Commonality** (i.e., the extent to which the same associations are reinforced) → the higher the more likely that an existing brand positioning is reinforced
- **Complementarity** (i.e., the extent to which new associations are added by any new communications element) → the higher the higher the likelihood that brand's positioning can build upon new associations and concepts

Six dimensions of SLM: different types and characteristics of sponsorships
- **Type** (often called category) of sponsorship: sport, arts and culture, social, science and education, eco sponsorship
- **Area** → what should be sponsored (e.g., sports within sport sponsorship: soccer, tennis, Formula 1, golf, sailing, etc.) → depends on the situational analyses and planning processes
- **Level of sponsorship involvement** (e.g., within sport sponsorship in soccer): Individual athlete, team, event, club, institution, league, federation
  - **Individuals → evaluation characteristics**: Awareness of individual in target group, Performance/success of individual, Associations with individuals (attitude formation), Credibility of the individual, Risk evaluation (e.g., scandals, consistency in performance and success, appearance in the media, exclusiveness of the sponsorship of the individual)
  - **Teams/club**: Sponsorship of clubs (versus teams) may provide sponsors with the opportunity to have the target group perceive the sponsorship as more social and intrinsic, because clubs can only exist if they do not strive for profit
  - **Event**: interact with their target group in an emotional setting on-site; sponsorship itself becomes more independent from the success of an athlete or a team
- **Depth of sponsorship involvement**
  - reflects the status of the sponsorship on a continuum ranging between **high involvement** and **low involvement** of the sponsor → affect the various cognitive, affective, and behavioral sponsorship outcomes that sponsors seek for
  - **Terminology differs from contract to contract, examples are:** Title/Partner sponsor, Major sponsor, Co-sponsor, In-kind supplier, Presenting sponsor (in the media or on-site); sponsors may be category-exclusive sponsors or not
    - **Sponsorship rights may include**:
      - Labeling of certain objects (e.g., balls, shirts) with the sponsor's logo

- On-site presence during sporting events (e.g., promotion in front of the stadium)
- Use of the logo of the sponsored property and certain names (e.g., "national supporter of the 2014 FIFA World Cup")

- **Grade of sponsorship**: professional, amateur (focus on sports only and not having to work beside pursuing athletic career), grass roots (exercising without goal to strive for achievement, but to enjoy)
- **Geographical coverage of sponsorship**: local, regional, national, international, global

Leveraging in the media (e.g., placing commercials during half time on television)
- **Grade of sponsorship**: professional, amateur (focus on sports only and not having to work beside pursuing athletic career), grass roots (exercising without goal to strive for achievement, but to enjoy)
- **Geographical coverage of sponsorship**: local, regional, national, international, global

Evaluation of sponsorships by six-dimensional decision matrix against the background of cost-**benefit trade offs**, → different instruments to make decisions (e.g., check lists, point rating systems, existing data from sponsorship controlling measurements, such as media metrics)

Sponsorship policy statement:
- **Explains what a company will (and will not) sponsor**, which audiences should be targeted, the quantity of sponsorships that should be undertaken over a given period, and the level of sponsorship devoted to each of the sponsorships.
- **Reduce the risks involved with a portfolio of sponsorships**: being associated with too many sponsored properties, or low-fit properties, which can lead to confusion, diverse and unsupported memory networks, and potentially negative sponsorship response in recipients

11.3 Uniqueness and authenticity of sponsorship portfolios

"Sponsorship is about **standing for something as a brand**. It is about authenticating your relationship with customers and contextualizing your brand values. In the context of sports, being an official team sponsor is a way for companies to communicate their fandom of that team. But when the investment portfolio of a sponsor grows, and they begin to stand for multiple things, and support multiple different properties, it is important for brands to consider the **common denominator** in their network of properties: their own brand. When brands engage in the sponsorship of either multiple athletes or multiple sports teams, they must consider whether or not supporting a new property will conflict or dilute any of their current investments. With rivalries being core the sports fan experience, this truth is amplified in sports sponsorships"

How to differentiate?
- **Points-of-difference associations** should be associations that are strong, able and unique and that differentiate the brand from competitors, leading to a unique and authentic positioning.
- **Consistency**: Long-term sponsorship relationships typically lead to more positive sponsorship outcomes. Sponsorship duration is important because a repeated sponsorship link is needed to register with the consumer → activating linkages to brand node in memory; increase credibility

11.4 Terminating sponsorships
- **When relationships are fading**, the commitment between two relationship partners (here: the sponsor and the sponsored property) decreases: "The concept of relationship fading refers to the phase in which a relationship seems to be permanently or temporally weakening and declining. Relationship fading can precede an enduring relationship ending, but it can also represent a temporal weakening of the relationship without leading to ending"

- **Reasons for why sponsors terminated sponsorship**: concerns about brand equity; lack of collaboration; rights' fees, feelings of inequity or lack of return on investment, to avert damage to brand attitude (signal against unethical behavior)
- **Perceived termination**: The relevance of **exit strategies** → Motive perception for termination of sponsorship (attribution theory) described by two dimensions:
  - Extrinsic motive (i.e., self-serving or egoistic, mainly serving economic ends) and/or
  - Intrinsic motive (i.e., benefitting society or altruistic, mainly serving non-economic ends)
- **Ending a sponsorship relationship can result in more negative attitudes** towards the exiting brand (compared to before) → emphasis on profit- and sales-orientated motives in corporate public relations and media reports has negative effect on attitudes towards brand → de-emphasize sales-orientated motives → consumers believe the brand's actions are centered on community and goodwill

12. The Sponsored Property Perspective: How to Recruit and Retain Sponsors
12.1 Sponsor Market Analysis

- **SLM process also for sponsored-properties**: situational analyses (including market, competition, and sponsorship-specific considerations) → Sponsor Recruitment and Sponsorship Strategy → Implementation and Controlling of the Sponsorship
- **Determine your needs and characteristics as a sponsored entity** (based on the entity's general marketing objectives) → develop sponsorship-specific objectives → Example for sport sponsorships:
  - Find companies that offer the equipment that is necessary for your specific sport
  - Determine characteristics (e.g., attitude attributes, personality attributes), formulate a profile that describe athlete or sports club → strength of linkage depends on the perceived fit between partners
- **Define your competitive advantage**:
  - **What is unique** about you and **what you can offer** to potential sponsors, and **what are the benefits** that go along with this for potential sponsors?
  - **often hard to have a "unique selling proposition**" → identify characteristics/features about sponsor seekers, their unique services/benefits → help the sponsor to differentiate from its competitors → offer and use creative and innovative ways to help sponsors associate with their entity.
  - **When are services attractive?** Sufficient media exposure → repetitions and positive learning effects in recipient s→ using all possible channels online (homepage, Facebook, blogs) and offline (e.g. experience events), other media (newspaper, magazines, eventually television) → Reports and
    interviews with athletes
- **Identify prospective sponsors**
  - **Relevance of fit and identification** → prerequisite for credibility of sponsorship and increase attitude transfer → assess fit of potential sponsors based on positioning of potential sponsor, attitude attributes, target groups, products, marketing and communication strategy
  - **Intermediaries** often have databases, but no simple copy of competitors → be creative
  - **Identification** with sponsor is important for credibility

12.2 Sponsor Recruitment and Sponsorship Strategy
Successful recruitment of potential sponsors → create a sponsorship concept to convince pot. sponsors

1. **Gaining (background) knowledge about your highest-priority potential sponsors**: company's strategy, resources, competences, sponsorship policy statements → complement situational analyses → anticipate sponsors´ expectations and desires.
2. **Make sponsorship most attractive for potential sponsors**:
   a. create value for sponsors → learn how to be an attractive provider of sponsorship activities
      (potential sponsor often has advantage due to alternatives) → design flexible offer
   b. Sponsorship is more attractive if offered exclusively → increases success of sponsorship
   c. Attractive sponsorship is as individualized as possible → connect individual needs of potential sponsor with your characteristics and features
   d. Fit budget of potential sponsor → offer different sponsorship options (financial, material) and packages (website branding, naming right, advertising material, product placement…) = different sponsorship levels
3. **Emphasize advantages of the sponsorship**: If potential sponsor is not already into sponsoring → reveal possible sponsorship outcomes, provide data that sponsored entity is reliable as regards activities and performance → show that sponsors do not risk their positive attitude or reputation

- **Development of a sponsorship strategy**
  o Builds upon the situational analyses, meet pre-defined goals, describe how to put into practice → includes segmentation, targeting, positioning in the area of sponsorship as well as how fits are created (or increased)
    o **Trends/examples**: viral marketing, event ownership (create new events as a company (e.g. X-Games
- **Setting up a sponsorship contract** → ensure legally correct transactions
  o Legislative framework is composed of the General or Special Law of Obligations (Allgemeines bzw.
    Besonderes Schuldrecht des BGBs)
  o Define sponsors' **performance**, **consideration to be provided by sponsored entity**, **duration** of sponsorship, **prolongation options**, extraordinary **termination** (negative public image), sponsorship **depth**, **exclusivity**, **securities** for sponsee in case of financial difficulties, regulations concerning **guarantees for any damage**
    o **Four types of contracts are used in sport sponsorship**: Advertising contract, Endorsement/equipement contract, License Contract, Labour Contract (Sport club and athlete)

12.3 Implementation and Controlling of the Sponsorship
- **Project-based approach**: how to leverage sponsorship, how to protect sponsors against ambushers, how to support sponsor's portfolio, how to accompany whole SLM process in order to increase outcomes
  o **Ensuring leveraging**: ensures that sponsors get most out of sponsorship → additional exposure: higher levels of awareness in recipients (especially important for low-fit sponsor: Stronger effects on outcome variables, if the sponsor doesn't perfectly fit to your attributes → reason: articulation of the relationship as part of the leveraging creates additional links)
  o **Protecting sponsors against ambushers**: legal rights, name & shame, education, humorous advertising
  o **Supporting a sponsor's portfolio**: sponsorship should contribute to uniqueness and authenticity of sponsor's sponsorship portfolio → that sponsored entities should make sponsorship irreplaceable

- o **Engaging in lifetime relationship management with sponsorship partners**: Successful sponsorships are often result of long-term commitments and intimate relationships, treat sponsor fair, communicate problems
- **Evaluation of the sponsorship**
  - o **Sponsored entities should** support intermediaries or sponsors **to collect data to assess the sponsorship outcome** → make decisions based on empirical data (and not based on gut feeling).
  - o **Document your media exposure**, other sponsorship outcomes (e.g. appearances in newspapers, on television, facebook posts, Internet blogs, ...) and failures/solutions → provide to sponsor
  - o **Remind the sponsor** that even if the sponsorship outcomes do not occur immediatey, an increased awareness of the sponsors' brand (among others) can lead to financial outcomes (such as increase in sales) in the future.