

Sponsorship-linked Marketing – Zusammenfassung

Chapter 1: Introduction

1. Development and role of sponsorship in marketing

1.1 History

- Earliest appearances of sponsorship: support of gladiators around 65 BC
- Early example of today known sponsorship: Coca-Cola supplied the Olympic team of the US in 1928
- Beginning of social sponsorship: President Eisenhower asked Oil companies to sponsor the first presidential physical fitness program -> supported community development in an effort to increase public health
- Goals of early sponsorship: combining business and citizenship to create enthusiasm in the community
- Beginning of 1971: legislation that made it illegal to advertise cigarettes on TV and radio in the US and alcohol advertisers were excluded from traditional broadcast media -> they turned to sponsorships
- In 1970/80s: sponsorship less prominent because of rapid development of traditional advertising
- From 1990s: traditional advertising became less relevant
- Sponsorship as indirect marketing instrument -> consumer hear about brands via non-direct ways (i.e., from third parties)
- First appearance of sponsorship in Germany: 1970s with Jägermeister financially supporting soccer team of Eintracht Braunschweig

1.2 Trends in sponsorship

- There are 5 major trends
- Market-driven orientation: from patronage to sponsorship
 - › Act of patronage: patrons donate money to properties
 - › Patrons have been less commercial
 - › Distinction between term patronage and sponsorship -> sponsorship as commercial
 - › Rising acceptance of market-driven orientation
 - › Major incentives for companies to engage in sponsorship: climbing cost of media advertising and declining interest of the public in costly media advertising
 - › Other contributors to sponsorship growth: increased advertising clutter -> advertisers are forced to be present at different venues and via different channels
- Increasing relevance of event sponsorship
 - › Expansion of corporate involvement in sponsored out-of-home activities
 - › Events like extreme sport events, music tours, sport tourism, local festivals and mega events are associated with the expansion of sponsorship
 - › More consumers attend events due to increase in leisure time and willingness to share emotions with other participants
- Sponsorship as a larger marketing tool
 - › Sponsorship have become integrated into marketing philosophy
- Development of a sponsorship-linked marketing strategy
 - › Companies should take into account the expectations of all their stakeholders -> goals of sponsorship often related to stakeholders
 - › Sponsors reach consumers, employees, wholesalers and policy decision-maker and reach community leaders or media and public officials

- › Sponsorship-linked marketing strategy connected to goals of company
- Leveraging and activation of sponsorship
 - › Leveraging and activation common practice in sponsorship
 - › Sponsorship leveraging includes all marketing communications collateral to the sponsorship
 - › Activation relates to those communications that encourage interaction with sponsors
 - › It is estimated that for every dollar spent on sports event sponsorship, another five dollars are spent on sponsorship-linked marketing including TV, radio and print advertising

2. Definitions

2.1 Definitions

- There are a lot of different definitions, but fundamentally they have the same meaning
- According to Walliser, sponsorship is a business relationship between a corporation and an individual, event or organization that is based on an exchange relationship between the sponsor and the sponsored entity, and where marketing communication objectives are pursued through associations
- Differences between advertising and sponsorship
- Advertising
 - › Offers more knowable and controlled communication
 - › Often sponsorship's most valuable leverage
- Sponsorship
 - › Involves fee paid in advance
 - › Requires leveraging to obtain greatest value
 - › Give company the opportunity to associate the company with a sponsored property

2.2 Linkages in sponsorship-linked marketing

- Reasons for linkages can be either self-evident links that build an association to the product and its users or strategic links that build an association to the sponsorship audience
- Both approaches can be used by one company
- Self-evident links
 - › Logically sanctioned
 - › Example: sporting goods manufacturer may sponsor a sporting event where the product is used
 - › Strongly linked product for running event: adidas shoes, which are worn in the event
 - › Not strongly linked product: Philips video cameras, which are used to record the event
- Strategic links
 - › Less readily apparent and most often based on some characteristics of the audience for the sponsored event or activity
 - › Example: luxury auto manufacturer may sponsor ballet in order to reach an upscale demographic that can afford the product
 - › Link a product or service to a desired image, which the company wishes to communicate

2.3 Creating sponsorship links

- Sponsorship linking can be accomplished in 3 ways: through simple financial investment, through investment and arm's length participation in the sponsorship and through investment and extensive participation in the sponsorship
- Non-participatory sponsorship

- › Financial support is provided
 - › Sponsor doesn't maintain an ongoing presence in the sponsored property
- Participatory arm's length sponsorship
 - › Sponsorship may be accomplished through a third party such as advertising agency, event packager or specialized sales promotion agency
 - › Delegation of sponsorship responsibilities
 - › Advantage: keeping personnel, employees and other resources from being tied-up in the sponsorship and professional fulfillment of sponsorship is ensured
 - › Disadvantage: lack of person-to-person grass-root image building
- Participatory sponsorships
 - › Active involvement of management, salesperson and employees from the sponsoring group
 - › Offers opportunities for grassroots image building

3. Different types and levels of sponsorships

3.1 Sport sponsorship

- Has greatest economic relevance among different types
- Individual athletes, sport teams, sport federations or sport events can be supported
- Company has to decide what kind of sport and what level of performance they intend to sponsor
- Development of sport sponsorship in Germany began in 1970s with exclusion of tobacco advertising in TV
- Importance of sport sponsorship has been increasing -> 45% of sponsorship budget is used for sport sponsorship
- Reasons
 - › high media coverage and high appreciation of sport in society
 - › sports are often associated with positive attributes
 - › strong relationship between the interest of the audience and media attention
 - › sponsoring grass roots sports may signal company's effort in community development
 - › sponsorship of children and young athletes may entail education sponsorship
- Risks for sponsors: sporting performance is unpredictable and there can be offenses against social norms (doping, betting scandals)
- Sponsors have to meet advertising guidelines of sports federations
- Sponsorship of extraordinary sports like snooker or skydiving due to high media exposure in specific target groups
- Most sponsored sports in Germany: soccer, team handball and horse riding

3.2 Arts and culture sponsorship

- Have long traditions in most countries
- Much has a regional and local character
- Includes for example visual and performing arts, music, literature, film, individual artists, cultural events or foundations

3.3 Social sponsorship

- Social sponsorship means taking corporate social responsibility (CSR)
- Potential organizations: welfare organizations, health care organizations, humanitarian organizations, disaster management organizations, religious institutions, political institutions and political parties
- Credible commitment is basic requirement for a positive perception in the population

3.4 Science and education sponsorship

- Support any kind of educational institution

3.5 Eco sponsorship

- Cooperation of companies with non-commercial individuals or organizations, which take care of ecological problems and fight for a protection or a rehabilitation of the natural environment
- Organizations operate internationally, nationally, regionally or globally
- Company feels responsible towards the environment

3.6 Media sponsorship

- Offers companies the possibility to appear as presenter of television, Internet or radio

4. General information

- Worldwide expenditure on sponsorship amounted to \$ 57,5 billion
- In Germany: almost € billion -> most money spent on sponsorship in sport and media sponsorship
- Several intermediaries may be involved that mediate between the sponsor and the sponsored property

Chapter 2: The sponsorship-linked marketing management process

1. Overview

- Management: process or series of continuing and related activities
- Involves achievement of organizational goals by working through and with people
- Managers have responsibility to combine and use organizational resources to ensure that their organization achieves its purpose
- Process includes four key steps: Planning, organizing, leadership, controlling

1.1 Planning

- Establishes the direction of the company and the role of sponsorship-linked marketing in the company
- Process of establishing goals and selecting a future course
- Good sponsorship-linked marketing plan has to be clear and convincing
- Plan should show how the recommendations will actually work
- Planning process involves situation analyses, definition of objectives, strategy development and establishment of sponsorship links

1.2 Organizing

- First step of implementing
- Divides organizational activities among work groups
- Process of making sure that necessary human, physical, technological, financial and informational resources are available
- Organizational design: process by which managers select and manage aspects of an organization's structure and culture

1.3 Leadership

- Second step of implementing
- Leadership motivates employees to achieve organizational goals
- Leading: influencing others to achieve both organizational and sponsorship-linked marketing objectives
- Involves energizing, directing, and persuading others and creating a vision
- Includes many interpersonal processes: motivation, communicating, coaching and showing people how they can achieve their goals

1.4 Controlling

- Measures and evaluates sponsorship-linked marketing performances
- Involves comparing actual performance to a predetermined standard

1.5 Feedback loop

- Planning steps influence the implementation of sponsorship in a company
- Controlling step is represented by the evaluation of outcomes
- Outcome evaluation provides a feedback to the beginning of the planning process
 - > allows to reassess the situation in the market and then set new objectives depending on the outcomes -> allows companies to gauge and evaluate sponsorship linked marketing efforts over time.
- Controlling may also lead companies to find out why certain objectives have not been achieved, and what the main drivers of these factors are

2. Situational analyses and definition of objectives

- Planning sponsorship begins with assessment of current situation
- In addition to standard examination of the environment, some considerations have a special importance to sponsorship
 - › Market
 - › Competition
 - › Sponsorship-specific considerations
 - › Definition of objectives
 - › Marketing objectives
 - › Sponsorship objectives
- Sponsorship-linked marketing may have detrimental side on the company
 - › For example: use of sponsorships may exacerbate any already existing negative brand attitude
- Another negative effect: recipients may perceive a company as a mainstream company that just does what every company does.
- One of the often-cited advantages in the early literature: low clutter venue -> because of the rapid growth of sponsorships, a low clutter environment (such as a title sponsorship without co-sponsors) is rare or at least often very expensive
- Has become harder to be perceived as a unique
- Another danger of sponsorship-linked marketing: efforts to develop the desired link between product and sponsorship may be ambushed by other companies
 - › Ambushing takes place when another company, usually a competitor, gives the impression that they are associated with the event
 - › Ambush marketing has become a real marketer concern, especially in high stakes sponsorships such as the Olympic Games
 - › Consequences of these trends can be seen in consumer confusion
 - › Goals defined by sponsors may therefore aim to reduce consumer confusion
- Since most consumers do not care about ambush marketing, sponsors that oppose to this marketing tactic may be perceived as overreacting and may thus subject to a decrease in brand attitude
- Sponsorship-linked marketing may help reduce negative effects on the company over time
- However, social sponsorship may help reduce negative perceptions in the society

3. Segmenting, targeting and positioning

- Effective targeting of audiences requires
 - › Being cognizant of the multiple audiences for the sponsorship
 - › Prioritizing the audience targets according to sponsorship objectives
 - › Positioning the company

3.1 Segmenting

- Goal: identify and profile distinct groups of buyers who differ in their needs and preferences
- Market segment consists of a group of customers who share a similar set of needs and wants
- Reason for segmenting
 - › Heterogeneous needs and preferences
 - › Different buying power leading to differences in so-called customer lifetime value
 - › Customer behavior is often very individual and driven by self-expression and social groups norms
 - › Communication with non-segmented markets is very expensive

- 4 types of segmentation criteria: geographic, demographic, psychographic and behavioral segmentation
- Geographic segmentation: dividing the market into different geographical units, such as nations, states, regions, countries, cities or neighborhoods
- Demographic segmentation: consumers are classified according to demographic criteria such as
 - › Life stage -> defines a person's major concern
 - › Income segmentation -> long-standing practice
 - › Social class -> uses macro-criteria such as profession, education, family income
 - › Generation -> influenced by the age in which it is reared
- Psychographic segmentation: using psychology to better understand consumer markets by categorizing groups of customers via latent variables (variables that can't be observed directly)
- Behavioral segmentation: segmenting according to behavior
 - › Benefits
 - › User status
 - › Loyalty status

3.2 Positioning

- Act of designing the company's offering and image to occupy a distinctive place in the mind of the target market
- Goal: gain a sustained competitive advantage, establish and communicate the distinctive benefits of the market offering for each target segment
- 2 types of associations that consumers may have with a sponsor: points-of-difference associations and points-of-parity associations
- Points-of-difference associations
 - › Associations may be based on virtually any type of attribute or benefit
 - › Attributes or benefits that consumers strongly associate with a brand, positively evaluate and believe they could not find to the same extent with a competitive brand
 - › Example: Red Bull and Cocoa-Cola -> created strong and unique associations
- Points-of-parity associations
 - › Associations that consumers view as essential to a legitimate and credible offering within a certain product or service category
 - › Associations not necessarily unique to the brand but may be shared with other brands
 - › Example: Krombacher and Bitburger take place in the same context (soccer) and same sponsored entities (television)
- For sponsors, point-of-differences associations are most important -> distinguish the brand from others
- Characteristics of associations
 - › Relevance: target consumers must find the point-of-difference associations personally relevant and important
 - › Distinctiveness: target consumers must find the associations distinctive and superior
 - › Believability: target consumers must find the associations believable and credible -> brand must offer a compelling reason for choosing it over the others
 - › Feasibility: product or service design and sponsorship-linked marketing must support the desired association
 - › Communicability: consumers must be given a competitive reason and understandable rationales as to why the brand can be deliver the desired benefit

- › Sustainability: firm must be sufficiently committed and willing to devote enough resources to create an enduring positioning
- Positioning analysis helps companies understand the dimensions along which target customers perceive the company and how they view the company relative to competitors
- One of main task of sponsorship-linked marketing managers: increase the likelihood that positive associations transfer from a sponsored property to the sponsor -> establishing a link

4. Creating fits

- Synonyms for fit: match-up, similarity, relevancy
- Definition: strength of the linkage between the sponsor and the sponsored property depends on the perceived similarity between partners and can be explained in terms of image or functional similarity
- High degree of fit when the two are perceived as congruent, whether that congruity is derived from mission, products, markets, technologies, attributes, brand concepts or any other key association

4.1 Fit classifications

- Sponsor-sponsored property linkage results from a degree of perceived similarity, be it in terms of functional or in terms of attitude
- Functional based similarity
 - › Sponsored brand is actually used by the participants during the event
 - › Leads to creation of a self-evident link
- Image based similarity
 - › Image of the event is related to the image of the brand
 - › Leads to a strategic link -> target group has some characteristics that match with what the company wants to stand for
 - › Not natural one that costumers make
 - › Depends on the characteristics and perception of the target group
- Companies have to put only little effort in creating high fit, if the sponsor-sponsored property fit is self-evident -> only rarely the case
- If there is no self-evident fit, companies aim to employ sponsorship-linked marketing practices -> called establishing a strategic link

4.2 Conclusion

- Companies can use following dimensions to assess fit with the sponsored property
 - › Functional based fit and image based fit
 - › 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
- According to some researcher: relationships between organizations that fit well together are viewed as stronger and more favorable
- If fit is perceived poor -> sponsorships can sometimes decrease consumers' purchase intent
- Some researchers suggest highly fitting relationships may raise consumers' skepticism

5. Marketing-mix instruments

- Consisting of products and services, price, promotion, place, people, physical evidence, process
- Products and services: decision to offer specific products and services is influenced by sponsorship activities
- Price: sponsorship is least influential on price decisions -> may indirectly affect the price
- Promotion
 - > How can sponsorship be employed to augment or replace current investments in advertising, personal selling, sales promotion and publicity
 - > Any marketing communications tools may be used to promote sponsorships
 - > Different types
 - o Advertising: any paid form of non-personal presentation
 - o Sales promotion: variety of short-term incentives
 - o Events and experiences: company-sponsored activities and programs
 - o Public relations and publicity
 - o Interactive marketing
 - o Word-of-mouth marketing
 - o Personal selling
 - o Direct marketing
 - > To reach and influence target markets, marketers are employing multiple forms of creative communications
- Place: decisions regarding product and service distribution can be strongly influenced by sponsorship

5.1 Service P's

- Many sponsors are service providers
- Service: any act of performance that one party can offer another
- Within service process delivery, there are 4 issues
 - > Process duration: time it takes to provide the service
 - > People's efforts: service personnel's ability to interact with the customer
 - > Reliability: links the consistency, integrity and dependability of the service delivery process
 - > Physical evidence: surrounding where the service takes place

6. Sponsorship implementation and sponsorship outcome evaluation

- Implementation of sponsorship-linked marketing requires organizational and leadership decisions
- Project work and teamwork highly relevant when events are sponsored
- Leadership skills highly relevant when recruiting and working with volunteers
- Sponsorship-linked marketing is multifaceted and dynamic -> no general attempt

Chapter 3: Effects of sponsorship-linked marketing on recipients

- From perspective of sponsors, main goal: influence stakeholders in a desirable way and address them
 - › Consumer -> main goal: increase attention and awareness, positive attitude
 - › Employees -> main goal: increase commitment to the company
 - › Public -> main goal: increase CSR-perception, influence decision-makers
 - › Financial institutions

1. Sponsorship messages as behavior-influencing stimuli

- Messages sent out to recipients to influence the visual attention, attitudes and finally the behavior of the recipients

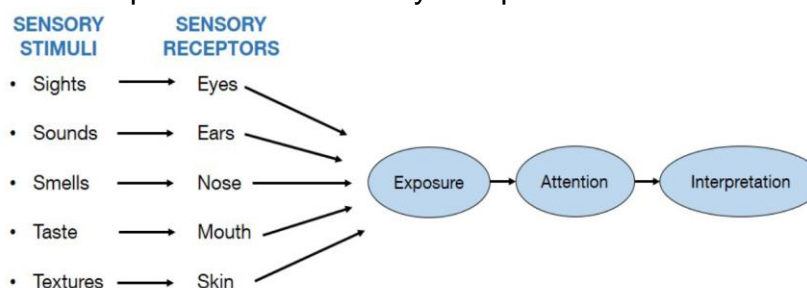
1.1 Stimulus-organism-response paradigm

- Well-cited framework that explains how messages influence the behavior of individuals
- Provides the basics for understanding how individuals process marketing communication stimuli
- Stimulus = sponsorship message (e.g., billboard advertisement)
- Stimulus will cause the organism of individuals to react given that the individuals encounter the stimulus
- Reaction of individual's organism (like perception and arousal) can't be observed directly -> organism part often called black box
- Organism influences behavioral reactions of individuals like purchase behavior



1.2 Perception

- Process by which individuals select, organize and interpret information inputs to create a meaningful picture of the world
- Sensation: immediate response of our sensory receptors

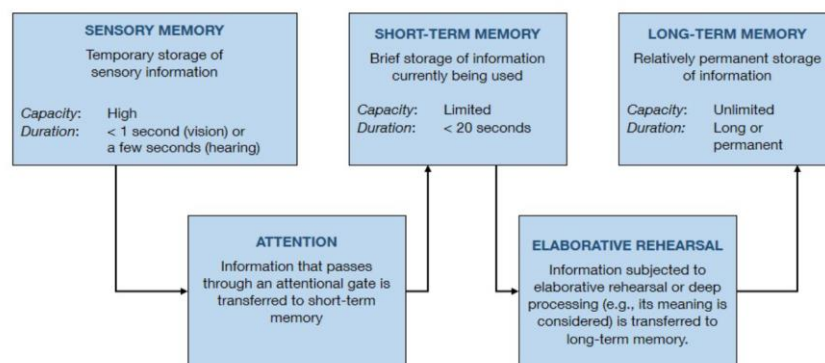


- › Brain receives external stimuli or sensory inputs on a number of channels (e.g., see billboard advertisement, hear jingle, have merchandise product, taste certain food)
- › Inputs of the 5 senses are raw data -> begin the perceptual process
- Sponsorship messages are most effective when they are directed at individuals via multiple sensory channels
- Unique sensory quality of sponsorship-linked marketing campaign helps sponsor to stand out from the competition -> creating unique association with the sensation

- In sponsorship-linked marketing: perceptions are more important than reality -> perceptions affect consumers' actual behavior
- Perception depends on physical stimuli and on the stimuli's relationship to the surrounding field and conditions within each of us
- Human body has limited mental resources and is exposed to over 1.500 ads a day -> screening out most of the stimuli -> called selective attention

1.3 Memory

- Process of acquiring information and storing it over time so that it will be available when individuals need it
- 3 stages
 - > Encoding stage: information enters in a way the system will recognize
 - > Storage stage: individuals integrate this knowledge with what is already in memory
 - > Retrieval: individuals access the desired information
- 3 types of memories
 - > Sensory memory: stores information that individuals receive from their senses -> temporary storage and only lasts couple of seconds
 - > Short-term memory stores information for limited period of time and has limited capacity; holds information we are currently processing -> memories can be stored verbal input acoustically or semantically
 - > Long-term memory: retain information for a long period of time -> elaborative rehearsal: cognitive process, which allows information to move from short-term memory into long-term memory



- Individuals' memory can be implicit or explicit
- Implicit memory
 - > Conceptualized as non-intentional and non-conscious retrieval
 - > Two types: perceptual implicit memory and conceptual implicit memory
 - > Perceptual implicit: physical properties are encoded whereas conceptual implicit memory means that semantic properties of the stimulus are encoded
 - > Implicit memory measures enable verifying the encoding of information
 - > Stores past experiences that are introspectively unidentified and not consciously retrievable
- Explicit memory
 - > Stores information that can be retrieved intentionally and consciously
 - > Less common in sponsorship

1.4 Learning

- Most human behavior is learned
- Classic conditioning: stimulus that elicits a response is paired with another stimulus that initially does not elicit a response on its own

- Transfer of meaning from an unconditioned stimulus to a conditioned stimulus explains why made-up brand names (e.g., Marlboro) exert such powerful effects on consumers -> association between Marlboro man and cigarette is so strong that in some cases company no longer include the brand name
- Magnitude of conditioned response depends on respondents' attitude toward the unconditioned stimulus (i.e., ad), the respondents' prior attitude toward the conditioned stimulus (i.e., brand) and the respondents' perception of the fit between the unconditioned and the conditioned stimulus (i.e., ad and brand)
- Instrumental conditioning: learning to perform behaviors that produce positive outcomes and avoid those that yield negative outcomes
- In sponsorship-linked marketing: instrumental condition is most often used when the environment provides positive reinforcement in form of a reward
- Competitors often try to imitate certain features of a company's communication -> consumers can either generalize or discriminate stimuli
- Stimulus generalization: tendency of stimuli similar to conditioned stimulus to evoke similar conditions responses
- Stimulus discrimination: unconditioned stimulus does not follow a stimulus similar to a conditioned stimulus -> reactions weaker and will soon disappear

1.5 Arousal and emotions

- Arousal: intensity of emotional reactions -> can range from drowsiness to frantic excitement
- Correlates of arousal may include positive emotions

1.6 Sponsors and somatic states

- Primary inducers or secondary inducer can induce somatic states
- Primary inducers: stimuli that are innate or learned to be pleasant or unpleasant
- Secondary inducers include entities that are generated by recalling an emotional event in terms of thoughts and memories
- Highly arousing events induce emotional experience that help individuals focus their attention and remember certain stimuli

1.7 Motivation

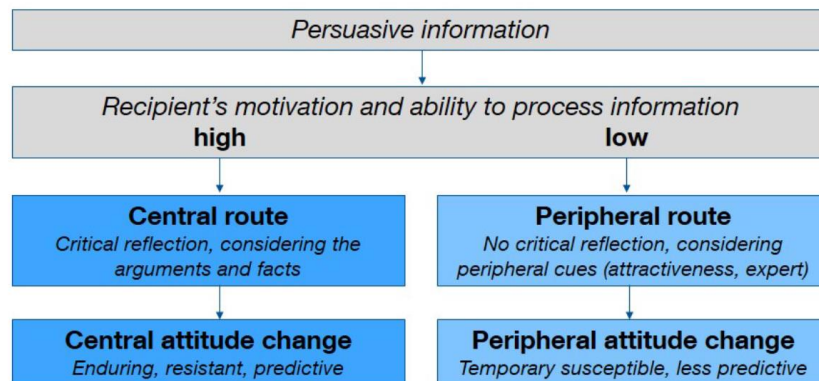
- Refers to the processes that lead people to behave as they do
- Occurs when a need is aroused that the consumer wished to satisfy -> need creates a state of tension
- Need may be utilitarian or hedonic
- Basic lesson of Maslow's hierarchy: individuals must first satisfy basic needs before they progress up the ladder (physiological, safety, belongingness, ego needs and self-actualization)

2. Marketing communication models applicable to sponsorship

2.1 Elaboration likelihood model

- Proposes 2 routes of how marketing communication messages are being processed: central route and peripheral route
- Central route
 - › New information gets verified against the background of already existing knowledge
 - › Cognitive process is called elaboration
 - › Refers to high-involvement situations requiring in-depth consideration

- Peripheral route
 - › Refers to low-involvement situations
 - › Individuals form or change attitudes without active deliberation or consideration
- Depth of processing is influenced by two factors: motivation to process and ability to process
 - › If recipient's motivation and ability to process information is high, he will follow the central route
 - › If recipient's motivation and ability is low, he will follow the peripheral route
- In general, individuals are not expected to be highly motivated -> peripheral routes are most likely when recipients process sponsorship messages



2.2 Heuristic-systematic model

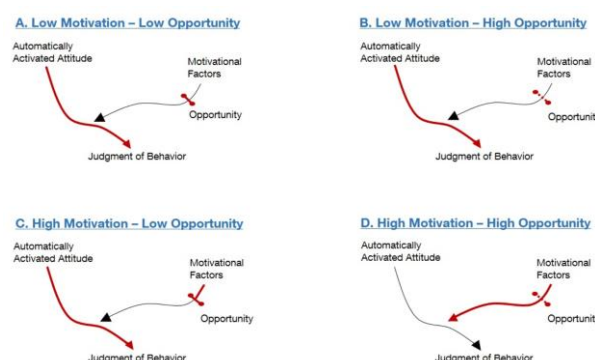
- Proposes that individuals process messages either heuristically (similar to peripheral route) or systematically (similar to central route)
- Individuals tend to minimize their use of cognitive resources and thus use short cuts rather than time-consuming elaborations
- In heuristic processing: individuals use rules that are known and that they have learned -> heuristics are stored in memory of individuals
- In systematic processing: individuals comprehensively process the information -> process is effortful and ask for high involvement levels

2.3 Dual-attitude models

- Based in assumption that individuals can evaluate the same attitude object differently, depending on how conscious and cognitively controlled the attitude formation process is
- Two types of attitudes: implicit and explicit attitudes

2.4 MODE model

- Focuses on processes by which attitudes influence judgements and behaviors
- MODE = motivation and opportunity as determinants of whether the attitude-of-behavior process is primarily spontaneous or deliberative in nature



Chapter 4: Theories on the effects of sponsorship-linked marketing

1. The mere exposure hypothesis

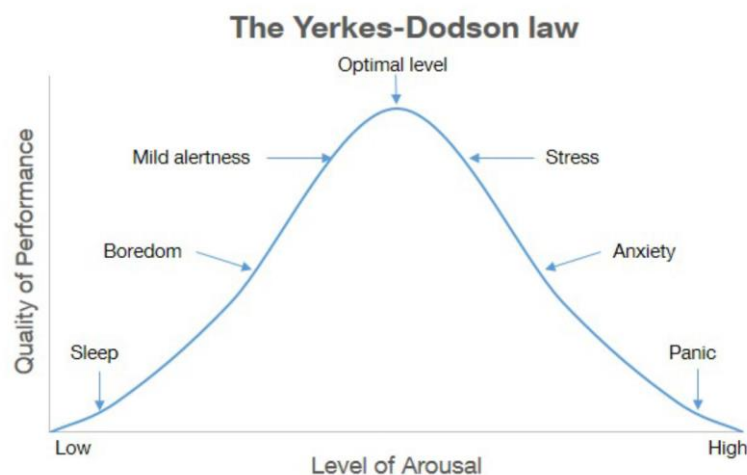
- Repeated exposure to a stimulus will engender an affective response -> the more often the recipients saw the stimuli the more positive was their attitude toward these stimuli
- Recipients must not be aware of this process -> preference formation can be accomplished without awareness of the preference-formation process
- Basic principle
 - › Impoverished-communication stimuli (e.g., brand logos), which are often minimal by nature and which cannot carry the wealth or quality of information, are commonplace in sponsorship-linked marketing situations
 - › Repeated exposure to these sponsorship stimuli may be one way how recipients form positive attitudes towards sponsors and start liking them -> advantage of sponsorship: frequency of repeated exposure
- Mere exposure effect is important, because focused attention is often given to the event while incidental attention is given to the sponsorship messages -> with repeated exposure, brands will become more familiar and positive attitude toward the brand will increase

2. Arousal and involvement

- Arousal: basic neurophysiological process underlying in all processes in the human organism

2.1 Yerkes-Dodson law

- Relationship between arousal and cognitive performance described best by an invert U
- When a person experiences an increase in arousal, the processing of stimulus-related information increases and increased attention to processing results in greater acquisition and storage of information -> processing efficiency principle
- Intensity principle: increased arousal focuses so much attention on the arousal-inducing stimulus that processing of peripheral information is inhibited
- Low levels of arousal: insufficient to create desired consumer responses
- High levels of arousal: result in a focus on the stimulus driving intensity -> sponsors get out of focus
- Moderate level of arousal is thought to be optimal -> result in greater advertisement memory and more favorable attitudes toward advertisements
- Sponsors can still profit from low-mid arousing event, because they also result in positive emotions



- Indicators of performance quality in sponsorship
 - › One rationale: sponsors expect their brand to profit from the arousal and the positive emotions of the activity
 - › Sponsors also interested in degree to which the sponsorship transfers attitudes from the sponsored entity to the sponsor
- Evidence
 - › Moderate levels of arousal increase capacity to process information in complex tasks
 - › High levels of arousal cause individuals to reduce amount of processing capacity that is available for information processing
 - › Highly aroused individuals may be concentrated and narrow their attention to the actions of the event, which makes them less likely to process any distractions in the surroundings of the event
 - › Individual's cognitive performance may decrease in states of high arousal
- Application to sponsorship context
 - › When are sponsors memorized best
 - Due to Yerkes-Dodson law, sponsor memorization increases when low levels of phasic arousal change to medium levels of phasic arousals
 - Sponsor memorization is expected to decrease at high levels of arousal -> spectators' attention is more and more focused on the event or activity rather than on sponsorships
 - In states of high arousal: spectators select information that is most relevant to them (e.g., actions of the sporting event) and disregard information that is irrelevant to them (e.g., sponsorship messages)
 - › Implications of the Yerkes-Dodson law for sponsors
 - Arousal can be increased internally or externally
 - Extern cues include any atmospheric element of the event or activity itself and any sponsorship messages
 - Sending sponsorship messages in moderately arousing media contexts is a fruitful strategy

2.2 Involvement and sponsorship outcomes

- Definition of involvement
 - › Internal state variable that indicates the amount of arousal, interest, or drive evoked by a particular stimulus or situation
 - › Product and media involvement are considered to be the most important and widely used forms of involvement
 - › With greater fit between sponsor and event the attitude toward the sponsorship advertisements is more positive
- Team involvement in sports
 - › Sports team involvement: spectator's connection to a team
 - › Highly involved when he perceives a connectedness to a team
 - › Highly identified fans display long-term loyalty and support the team through their time and financial commitments
 - › Low identified fans are likely attracted to the team for entertainment value and opportunity for social interactions -> little emotional or financial commitment
 - › Individuals tend to decrease distance between themselves and successful teams and increase the distance between themselves and unsuccessful teams -> called Basking-in-reflected-glory and cutting-off-refelcted-failure

- Team involvement and sponsorship outcomes
 - › Fans who are most attached to the team may also be most loyal to the sponsors of the team
 - › Reasons
 - Fans may form positive attitudes to sponsors because of mere exposure effects
 - Fans acknowledge that the sponsor supports their team financially -> increases competitiveness of the sponsor
 - By supporting the sponsor, fans act in a way that is consistent with goals and values of the team
 - › The higher the team involvement, the more positively spectators perceive their own team, but the more negatively they typically perceive rival teams

3. Associate network theory

3.1 Brands in associative networks

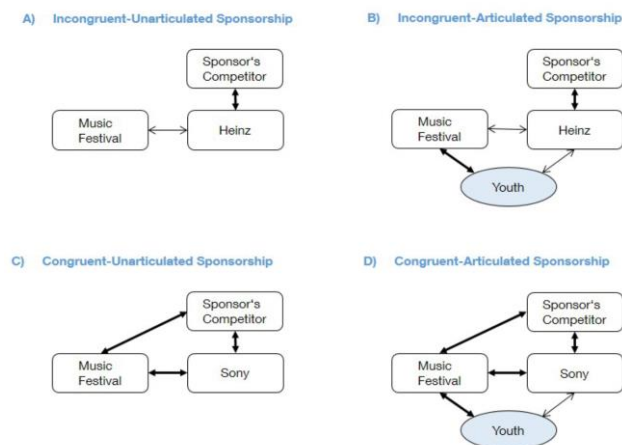
- Consumers learn about brands since childhood
- Sponsorships influence recipient's brand knowledge, which is linked to the brand node in memory in an associative network
- The greater the brand knowledge is the greater is the associate strength

3.2 Item information and relational information in associative networks

- In competitive marketplace: linking associations or relational information might not be enough -> consideration of item and relational information might be instructive
- 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" -> information alone may not be enough to provide precise response -> use of item processing is also needed
 - › Item processing: 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"

3.3 Implications and examples of associative networks

- Sponsorship-linked marketing managers should support the link between the sponsor and activity instead of relying on individuals' preexisting memory networks



- › Incongruent sponsor-event relationships (A and B) have weaker links than congruent sponsor-event relationship (C and D) -> memory for high-fit relationship tends to be superior

- › When articulation is provided (B and D), additional links between the sponsor and event are formed, which leads to improved memory
- › In all 4 figures: competitor is also depicted, which is connected to the sponsor by a strong preexisting bidirectional link -> 2 major competitors would be strongly linked in memory and belong to one superordinate category
- › In congruent conditions (c and D), competitor is also connected by a strong preexisting bidirectional link to the event

3.4 Limitations of associative network theory

- Theory does not explain whether there is a transfer of attitude from one property (the sponsored entity) to another property (the sponsor) and how such a mechanism may work

4. Attitude transfer models

4.1 Definition of attitudes

- A psychological tendency that is expressed by evaluating a particular entity with some degree of favor or disfavor
- (Dis-)favor is based on emotions and cognitions and accompanied by conscious and unconscious processes
- Explicit attitudes: consumers are consciously aware of
- Implicit attitudes: outside of an individual's awareness

4.2 Attitude transfer in sponsorship

- Attitudes: perceptions about a brand as reflected by the brand associations held in memory -> brand image is based upon linkages a consumer holds in his memory structure regarding the brand
- In sponsorship: "when the brand becomes linked with the event, some of the associations with the event may become indirectly associated with the brand" -> attitude transfer

4.3 Description of attitude transfer effects

- 3 relevant dimensions in context of attitude transfer
 - › Degree of cognitive control -> question whether the associations are transferred implicitly or explicitly
 - › Valence -> question whether positive or negative attitudes are transferred
 - › Direction -> attitudes can be transferred from the sponsored property to the sponsor but also from the sponsor to the sponsored property

4.4 Empirical evidence for implicit attitude transfer

- Sponsorship of tennis events enabled the implicit transfer of association of a brand to be strong from the event to the sponsor -> for both congruent and incongruent sponsors
- Associations of a brand with items like dynamic, powerful, thrilling, exciting, fascinating were stronger for football sponsor than for ambushers -> resulting from the sponsor's opportunity to directly associate with the sponsored events
- Until now: no evidence about implicit attitude transfer of negative associations

4.5 Explicit attitude transfer

- Methods of measuring attitude transfer
 - › First procedure measures attitude toward the sponsor before and after the sponsored event -> change in attitude is then attributed to the sponsorship
 - › Problem with pre- and post-event measurement: before measure of sponsor attitude might sensitize respondents and distort their reaction

- › Second procedure examines the incremental effect that sponsored event attitude has on sponsor attitude after the event -> attitude transfer should be present if association between sponsored event and sponsor is high
- › Third procedure examines an attitude transfer due to the sponsorship by assessing the similarity between the attitude toward the sponsored event and the attitude toward the brand -> smaller numbers of index indicate greater attitude similarity between the sponsored property and the sponsor

4.6 Risk of attitude transfer

- Transferred attitudes can be negative or inconsistent with the positioning goals of the company -> before entering into sponsorship arrangements companies should take a proactive role in measuring their target consumers' sponsored property attitude

Chapter 5: Theories on the effects of sponsorship-linked marketing

1. Schema theory

1.1 Schemas

- Schema: cognitive structure, stored in memory that represents information about an object, concept or stimulus domain, including its attributes and the interrelations among the attributes
- In sponsorship contexts: consumers' schemas represent structured memory traces about the presence and the activities of brands based on prior knowledge that is gained through personal experience
- When people are exposed to sponsorship information, they access cognitive structures related to the sponsored property and brands and compare with incoming information about the sponsorship in order to make judgements about the appropriateness or inappropriateness of the sponsorship activities
- Schemas that are stored in memory guide individuals' expectations about sponsorship

1.2 Use of schema theory to assess the impact of high-fit sponsorships

- High fit leads to more positive evaluations because affect is transferred more easily from the sponsored property schema to the brand schema
- When consumers discover a high fit -> they may experience a sense of cognitive satisfaction
- High-fit sponsorship results in experience of cognitive consistency

1.3 Use of schema theory to impact low-fit sponsorships

- Low levels of fit cause inconsistency in individuals' mind and in some case produce less favorable reactions
- With low fit, attitude transfer process is impaired, and schemas are less likely to become more similar
- Schema incongruity theory: information that is moderately incongruent to existing schemas leads to more favorable outcomes because incongruity increases consumers' arousal and cognitive evaluations
- Moderately incongruent messages increase consumers' processing motivation and enable recipients of sponsorship messages to resolve discrepancies
- Sponsors with moderately low fit profit from leveraging their commercial sport sponsorship via corporate social responsibility -> strategy is called "CSR-linked sport sponsorship"

2. Congruency theory

2.1 Basic assumptions and alternative views

- Storage in memory and the retrieval of information from memory are influenced by their relatedness or similarity
- Theory can provide a theoretical basis for positive effects of high-fit sponsorships -> similar to schema theory

2.2 Use of congruence theory to assess the impact of high-fit sponsorships

- Most prominent application is to explain the effects of high fit between sponsors and sponsored properties
- Fit is typically found to hold a significant positive relationship with memory for sponsorship stimuli and other sponsorship outcomes

3. Attribution theory

3.1 Basic concept

- Attributions go beyond what is experienced by recipients of sponsorship messages as predicted by schema and congruency theory
- Attributions means that recipients try to seek for answers when they pose why-questions
- Based on covariance model -> assumption that individuals make causal inferences about events that they observe and experience
- 2 types of factors that can shape an attribution of motive
 - > Personal factors internal to the actor
 - > Situational factors external to the actor
- Consumers discount or minimize an explanation if an alternative explanation exists

3.2 Application of attribution theory

- Commercial motivation of brands distinguished sponsorship from altruism
- Consumers' beliefs as to why companies engage in sponsorship activities vary
- Motive perception of sponsorships can be described by following two dimensions
 - > Extrinsic
 - > Intrinsic

3.3 Consequences of motive attribution

- Sponsorship activities that are perceived intrinsically motivated result in more positive reactions of the recipients of sponsorship-linked marketing communication than activities to which extrinsic motivation is ascribed
- Sponsorship of highly commercialized mega-events: likely to be attributed higher extrinsic and lower intrinsic motives than sponsorship of less commercialized sport events -> consumer generally perceive sponsorship of commercialized mega-events as less socially desirable -> sponsors of mega-events in sports may aim to reduce the perception of extrinsic motives

4. Social identity theory

4.1 Basic concept

- People place themselves and others into social categories
- Individuals make these classifications because they provide a systematic way to define others and to locate oneself in the social environment

Chapter 6: Visual attention to sponsors

1. Definition of attention

- Attention is the process that allows individuals to select information that is relevant to them and disregard irrelevant or interrupting information
- Visual attention
 - › Individuals have to selectively focus on specific objects
 - › Otherwise, individuals would experience an information overload
 - › Individuals can alter this information to have it fulfill their goal- and state-related needs
- Biological bias
 - › Fovea: part of the eye, that provides highest acuity of vision -> foveal information is prioritized
 - › Selective attention: individuals scan everyday scenes by moving their eyes to aim the fovea at objects of interest
- Attention compromise more than just eye movement -> mental aspects play crucial role
 - › Knowledge about scenes
 - Knowledge about objects and circumstances
 - Determine where individuals look at
 - Example: knowledge of placement of the sponsored property's logo in advertisement affects recipients' attention to the logo
 - › Learning from past experiences
 - Helps direct the attention to the objects that are relevant to the task or scene
 - E.g., recipients know that at breaks during a sport game, certain sponsorships are displayed -> may direct attention away from screen
 - › Nature of the observer's task
 - Demands of a task can override environmental factors such as stimulus saliency if a person carries out a task
 - E.g., if spectators want to identify who is the player who scored, they are less likely to attend to sponsorship information -> sponsorship information is irrelevant to fulfillment of the task
- In real life visual attention helps individuals perform tasks accurately and fast
- Eye movements precede motor acts

1.1 Visual attention to sponsorship

- Target groups of sponsorship messages rarely devote their time to assess "who the sponsor of a sponsored property is" or "what information sponsorship messages want to convey"
 - > individuals are interested in other activities that the sponsorship message and sponsorship is not of their main interest
- Sponsors must be aware that most sponsorship messages that they send out will not be considered as a task itself by the recipients
- Attention to sponsorship is rather incidental or sometimes even considered to be distracting
- Only if recipients are highly involved, they will direct their attention towards these messages
- Most often recipients are not only little motivated to process these messages, but they are also unable to process all the messages

2. Scanpaths in visual attention

- Scanpath theory describes the visual process in a top-down fashion
- Internal cognitive representations control both the visual perception and eye movements
- Viewers fixate the important characteristics of a scene, not every detail
- Gist of the scene can be extracted by the viewer very early in the viewing process, sometimes even from a single short exposure
- Eye movements follow a fixed path in the learning phase
- Fixed paths/ scanpaths are ways how patterns are remembered and recognized
- Use of scanpath theory to reveal important insights into the placement of sponsorship

3. Bottom-up factors in visual attention

3.1 Bottom-up factors

- Stimuli that are part of the environment
- May thus affect attention of individuals
- Mechanisms operating on raw sensory input
- Mainly automatic processes
- Do not depend on cognition or task demands
- Attention shift to salient visual features that are of potential importance
- Objects pop out more easily when target is a mismatching element

3.2 Use in sponsorship-linked marketing

- Car producer smart
 - › sponsored Berlin Marathon
 - › cars couldn't be seen when they were placed next to the track
 - › solution: display cars on men-high platforms -> increasing size of stimuli
- Deutsche Telekom
 - › Sponsored German cycling team
 - › Color magenta was used in all sponsorships -> helped associate the color with Deutsche Telekom
- Football players wear shoes with bright colors -> increase attention
- Concept of motion -> more and more prominent in sport stadiums using LED technology that allows to display animated content
- Sponsors may use features of orientation in sponsorship campaign to stand out of the crowds and make the sponsorship more visible to recipients
 - › Example: brand Würth is easy to read when ski jumper is in the air, but harder to read on the ground

4. Top-down factors in visual attention

4.1 Top-down factors

- Stimuli that are part of the individual
- May thus affect attention of individuals
- Includes cognitive processes from the person's side
- Emotions are highly relevant
- Sponsors often communicate to target groups in arousing contexts
- Emotions also contribute as regards increasing visual attention

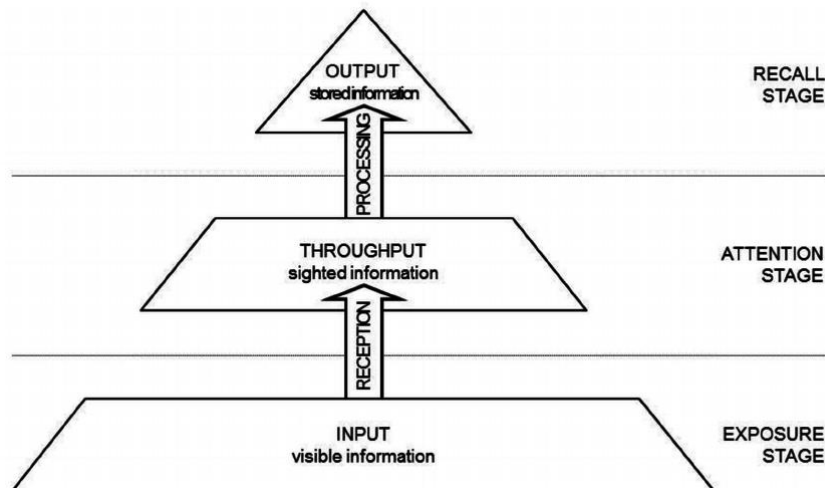
4.2 Top-down vs. bottom-up factors in sponsorship-linked marketing

- When top-down information is present -> bottom-up information exerts a stronger influence on search guidance

- Involvement is indicated by the personal relevance of object or situation -> consumers with high task motivation filter brand information less and pictorial information more

5. Empirical evidence

- Visual attention is the bottleneck for any sponsorship outcomes of further awareness and attitude formation processes -> only information that recipients attend can be processed further
- Attention functions as a mediator between exposure and memory effects
- Pyramid of sponsorship

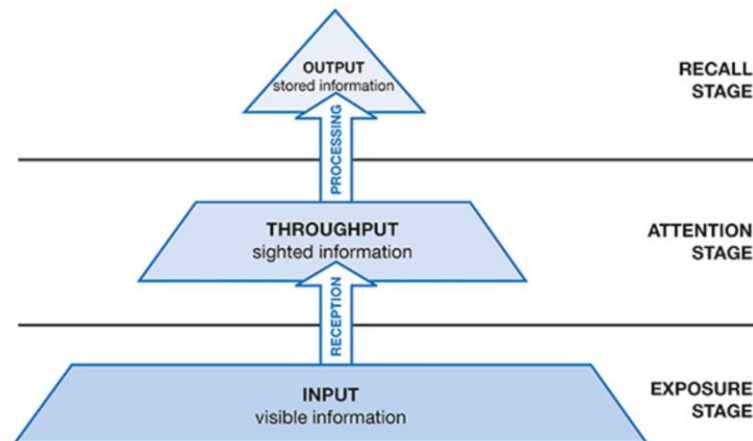


- › Exposure can be assessed via media exposure metrics (appearance on the screen in seconds)
 - › Both variables neglect the fact what information individuals attend to -> attention stage captures this information
 - › Attention: basis for any learning processes involved
 - › Attitude formation processes is stored in memory depend on visual attention
- Size, location and exclusiveness of sponsor's exposure are relevant determinants of sponsorship effectiveness -> increase the probability for visual attention
- Animated billboards increase visual attention to sponsorship when gam did no arouse participants much because of low game activity
- The brighter colors, the increased is the visual attention towards sponsor signage

Chapter 7: Measuring and interpreting sponsorship outcome variables

1. Introduction

- Sponsorship begins with goals and ends with goals -> example: sponsorship-linked marketing may be targeted at maintaining relationships to politicians or key customers
- Non-financial goal outcomes: Return on objectives (ROO) -> tries to measure what the return is with regard to an outcome
- Pyramid of sponsorship information processing



- › Exposure stage represents all information that a person is exposed to
 - › Attention stage contains only information selected by the viewer's visual system
 - › Recall stage assesses the participants' memory of sponsorship information
 - › Movement from the bottom to the top by memory effects -> recipients recognize sponsors and form evaluations of sponsors
- Memory and evaluation of sponsors can be conscious and unconscious
 - › Recognition assesses the participants' recognition of sponsorship information
 - › Evaluation assesses the participants' tendency to react positively

2. Exposure

- Exposure: frequency of the contact with a sponsored entity -> frequent measure used in sponsorship-linked marketing
- Can be measured both physically and in the media
 - › Net effects: taking into consideration that participants may make contact twice or more often with an entity
 - › Gross effects: accumulating all contacts (no matter if same participant made contact or not)

2.1 Media exposure metrics -> assessment of sponsor signage exposure time

- Exposure time typically assessed in seconds
- Cost per Mile (CPM) -> relative cost of sponsorship messages (per 1,000 viewers) in the media

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

- Pros of traditional media exposure measures
 - › Can be assessed easily -> no extra data collection
 - › Simple overview of how beneficial and costly certain sponsorship alternatives are

- Cons
 - › No evidence that recipients actually attend to the sponsorship information
 - › Sponsors should evaluate the sponsorship differently depending on whether the sponsorship is exposed exclusively or together with other brands
 - › Emotional context is not taken into account

2.2 On the internet

- View-Through Rate

$$VTR = \frac{\text{Viewthroughs}}{\text{Impressions}} \times 100\%$$

- › Measures passive but self-directed impact from a particular online sponsorship (e.g., banner, video, audio)
- › Not an immediate measure of response

- Click-Through Rate

$$CTR = \frac{\text{Clicks}}{\text{Impressions}} \times 100\%$$

- › Measures the immediate impact of an online sponsorship
- › Click made by online users is required

- Conversion Rate

$$CR = \frac{\text{Number of users purchasing on offering}}{\text{Number of users clicking on the campaign}} \times 100\%$$

- › Proportion of visitors to a website who take action that goes beyond a causal content view or website visit, e.g., when they purchase an offering

2.3 Social media

- Require the measurement of further variables, depending on the type of social media
- Buzz monitoring
 - › Indicates the noise (i.e., mentions) and dimensions of this, such as the location and inter-event comparison
- Sentiment
 - › Examine the positivity or otherwise of comments in social media
 - › Goes beyond buzzes -> includes an evaluation
- Engagement
 - › Can be operationalized via likes, fans, content engagement or pass on rates

3. Attention

- Eye tracking data, such as gaze durations, give indication about the information that has actually been sighted by a person
- Probability for cognitive processing increases when an individual attends to information on a sensory level
- Eye tracking methodology
 - › Analysis of visual expertise in medicine
 - › Reading
 - › 3D eye tracking
 - › Scene perception
 - › Real world eye tracking
- Tracking: keeping an object fixated on the fovea -> as long as an object is being fixated, the respective electrical signal also being processed

- Most eye tracking devices record the foveal fixation as well as saccadic movements by so called pupil and foveal reflection tracking
 - › Infrared sources project points of lights onto the pupil
 - › Camera is filming the pupil
- Static eye tracking
 - › Put both illumination and eye camera on the table
 - › Stimulus material is provided via screens
 - › Tower-mounted eye-trackers are in close contact to the participant
- Remote eye trackers
 - › Capable of viewing the participant's eye from a distance
 - › Participants more easily tend to forget that the eye tracker is recording their view -> provides higher external validity
 - › High cost of quality -> head movements can lead to less accurate measurements
- Head-mounted eye trackers
 - › Have both illumination and cameras on top of the head of participant
 - › Mounted on helmet, cap or pair of glasses
 - › Allow for maximum mobility for participants

3.1 Pros and Cons of eye trackers

- Pros
 - › Attention is measured, not exposure -> measure comes closer to what recipients actually process
 - › Differences in size and clutter can be accounted for in the competition of stimuli for recipients' visual attention
 - › Bottom-up factors (color, movement, shape) can be examined and combined with top-down factors (involvement)
- Cons
 - › Recipients must be exposed to a technological device
 - › Time-consuming, expensive and effortful procedure
 - › Recipients must come into a lab or wear a pair of glasses -> reduces external validity of the findings
 - › Information not easy to interpret

4. Recall

- Assesses whether recipients remember sponsors -> measure of explicit memory
- Types of recall measures
 - › Unaided recall
 - A participant is asked to recall a sponsor without help
 - › Aided recall
 - A participant gets help through different aids in recalling a sponsor
- Pros
 - › Recall measures are easy to measure and fast to get
 - › Do not need any technological equipment
 - › Supply information that is compatible with tradition models of marketing communication success
- Cons
 - › Rely on memory of recipients -> participants may forget that they have seen a certain sponsor
 - › Rely in degree to which recipients can retrieve the information consciously

- › Are influenced by the so-called new response construction bias

5. Recognition

- Measures how good participants are able to recognize sponsors
- Dealing with market prominence bias
 - › Cues are so important that very memorable events can be temporarily forgotten without the proper cue to support retrieval
 - › Even if less prominent brands are recalled as being the actual sponsors, their lower perceived prominence would conflict with recollection and hence, decrease consumers' confidence in their recollections
 - › Prominent brands are immune to this problem because their higher prominence support people's recollections if they are the actual sponsors

5.1 Foils and false consensus

- Foil: non sponsor with similar recognition
- Market prominence bias is more likely in situations where learning of the event-sponsor associations is difficult, and the event-sponsor association is therefore weak
- Individuals rely first on their direct recollections
- Brands of comparable prominence in the market

5.2 Matrix of potential recall and recognition outcomes

- Correct identification of an actual sponsor as a sponsor -> a hit
- Incorrect identification of an actual sponsor as not a sponsor -> a miss
- Correct identification of a foil as not a sponsor -> a correct rejection
- Incorrect identification of a foil as a sponsor -> a false alarm
- Hit rate -> of the brands that were actual sponsors, what percentage did the respondent correctly identify as sponsors
- False-alarm rate -> of the brands that were foils, what percentage did the respondent mistakenly identify as sponsors

5.3 Measure of accuracy corrected for guessing

- Corrected accuracy

$$\frac{p[\text{hit}] - p[\text{false alarm}]}{1 - p[\text{false alarm}]}$$

6. Implicit memory

- Recipients of sponsorship-linked marketing messages may not always be cognitively aware of the sponsorship
- Implicit memory measurement tools have been developed to capture unconscious processes in recipients
- Non-intentional and unconscious retrieval of information preciously encoded in memory
- Measurement tools
 - › Assessment must not require conscious and intentional recollection of memories
 - › Priming -> process by which individuals improve in task performance after they have been unconsciously prepared for the task
 - › Implicit association test
 - › Word stem completion task
 - › Word fragment completion
 - › And more...

- Implicit association test
 - › Most popular measure to assess indirect associations in individuals
 - › Several stimuli are presented one by one on a computer screen, including attribute stimuli, such as positive and negative words, and target stimuli, such as brand logos
 - › In a dual categorization task, participants have to classify attributes with regard to their valence and targets with regard to their category membership
 - › IAT score is computed by subtracting mean response latencies of the congruent block from those of incongruent block

7. Explicit sponsor evaluation

- Brand credibility: reflects the perceived expertise and trustworthiness of a brand
- CSR perception refers to a brand's general character with respect to its perceived societal obligations
- Brand personality: human characteristics that are associated with a brand
- Brand attitude: several possibilities to measure attitudes, such as via semantic differentials and via rating scales
- Brand experience: reflects subjective, internal consumer responses and behavioral responses evoked by brand-related stimuli

8. Implicit sponsor evaluation

- Affective priming task: participants' task is to categorize positive and negative target items with regard to their valence -> participants respond faster and more accurately if prime and target are congruent in valence
- (extrinsic) affective Simon task: two classes of stimuli have to be classified according to their color or their meaning
- Evaluative priming task
- Semantic priming task
- Approach-avoidance task
- Pros of implicit measures
 - › Reducing social desirability concerns
 - › Reducing intentional faking
 - › Reducing (self-)deception
 - › Reducing self-presentation
 - ➔ Because of indirect nature of these measures, researchers hope that participants are not aware of which attitude is measured, that they do not understand the functioning of the measure, and that therefore they are neither motivated nor able to strategically manipulate or fabricate effects
- Cons of implicit measures
 - › Laboratory settings are needed
 - › Measures are more difficult to interpret
 - › Controlled situations cannot be guaranteed in the field
 - › Interviewers need psychological training
 - › Sample sizes are often smaller, since the tests are time-consuming and costly
- Combination of implicit and explicit measure helps best evaluate the impact of sponsorship-linked marketing most accurately

9. Employee outcomes

- Employees can be a target group of sponsorship-linked marketing campaigns for several reasons
 - › Strengthening the relationship with employees -> committed and satisfied employees are more motivated to achieve company's goals and play important role in creating value for customers
 - › Sponsorship, when used as internal branding can be used to achieve a higher level of commitment with a brand and company pride -> can in turn lead to higher job satisfaction and loyalty to the employer
- Potential outcome measures
 - › Commitment to, and identification with the employer
 - › Job satisfaction and motivation
 - › Loyalty to the employer
 - › Company pride

Chapter 8: Financial success of brands

- Financial success can be measured by accounting indicators, such as cash flows, profitability and financial market indicators

1. Shareholder value

- Ultimate goal of sponsorship-linked marketing is to influence the behavior of stakeholders
- Sponsorship-linked marketing controlling should try to not only relate outcomes to predefined non-financial goals (e.g., awareness and attitude transfer), but also to financial benefit and cost relationship (ROI)
- Challenges in measuring ROI
 - › Time lag between the sponsorship activities and when behavioral decisions take place (e.g., consumers' decision to buy a new car)
 - › Several parallel marketing activities employed by the sponsor that may also influence the behavior of stakeholders (e.g., advertisement that is not related to the sponsorship)
 - › Range of possible behavior is large
- Instead of measuring all these behaviors of stakeholders, marketing managers often try to analyze whether sponsorship-linked marketing contributes to the financial success of brands, using overall measures of financial success (e.g., shareholder value)

1.1. Shareholder value

- For publicly traded companies: shareholder value represents the equity as part of the capitalization of the company
- Shareholder value measured most easily via stock return
- Privately held companies can determine the value of their company via valuation methods, such as discounted cash flow model

1.2. Stock return

- Investors may react if they see high potential and sponsorship engagement may influence this perception
- Stock return: good indicator of the financial success
- Sponsorship announcements contain information about future positive cash flows -> events are expected to positively impact the market value of announcing companies
- Stock price reflects their intrinsic values
 - › Any change in stock price should therefore be generally reflected in previously undiscounted information
- Sponsors have different ROIs for different sponsorships -> should prefer sponsorships with highest ROIs
- Factors of different financial return of some sponsorships -> increase sponsorship success
 - › Fit between sport and sponsor -> Investors reward high-fit sponsorships
 - › Leveraging and activation activities of sponsorships
 - Leveraging: brands use collateral marketing communications to exploit the association with sponsored property
 - Activation: brands try to engage with and involve audiences and have them participate in sponsor's activities
 - › Sponsorship by high-tech brands -> use sponsorship as signal to communicate that they are powerful and strong

- › Duration of sponsorship contracts -> long-term sponsorship contracts yield more positive effects, but there is also evidence that shorter contracts have stronger impacts
- › Sponsorship motive -> philanthropic motive yield more positive stock returns than sponsorships driven by commercial motives
- › Winning in sports -> although sponsoring a successful team is more expensive, there is evidence that success is still positively related with positive abnormal return

1.3. Agency problems in companies

- Decision-makers in brands do not make economic decisions
- Agent does not behave so that principal profits most, but according to his own interest
- Stockholders have difficulties in completely evaluating the actions of an agent, because there is an information asymmetry in relationship between the principal and the agent
- Information is not available for free for the principals
 - ➔ Transparency reduces information asymmetry -> best possibility to reduce agency problems in companies

1.4. Event studies

- Measure the effect of an unanticipated event on stock prices
- Data basis is time-series of stock market returns
- Use of a regression model
 - › Estimating normal stock return by defining a period in time prior to the event
 - › Subtracting this normal return from the actual return -> receiving abnormal return, that can be attributed to the event
- Abnormal returns: differences between the returns observed and those that the regression model predict
- Positive abnormal stock price gains indicate that marketplace evaluated the investment favorably
- Negative abnormal stock price gains indicate that marketplace evaluated the investment negatively
- Method particularly useful in sponsorship-linked marketing because it can calculate net present values without having to know the costs of the events
- Market model -> standard model for calculating normal returns
 - › Calculates the relationship between the brand's stock and a reference index via regression analyses
 - › Describes the normal return of certain brand
- Investors often do not behave economically and do not have these kinds of information available
- All publicly available information is reflected in a firm's share price

2. Return on investment (ROI) of sponsorship

- Another possibility of measurement
- ROI reflects the benefit that an investor gets from his investment
- ROI can't be directly applied to assessing the financial return of this company as a whole -> large amount of revenue is caused by other factors than sponsorship
- Formula considers additional variables

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

- › Variable contribution margin (VCM)
 - Stands for the variable profit per volume unit (earned profit per product unit sold)
 - Can be calculated by subtracting unit component cost and other cost from the unit price
- › Incremental volume
 - Represents number of units sold in excess of normal sales volume
- Companies should invest 3-5% of a sponsorship investment in market research

3. The use of brand equity models

3.1. Purpose of brand equity models

- Often used as a holistic concept that indicates the success of a company
- Allow to combine consumer-related antecedents of purchase decision-making with financial success variables of a company
- Two functions of the brand equity model
 - › Diagnosis: deliver a quantitative indicator of the quality of brand management -> can be teste whether certain marketing mix instruments increase brand equity
 - › Evaluations: arguments for selling branding rights can be provided in order to determine the price

Chapter 9: Leveraging tools in sponsorship-linked marketing

- Leveraging: 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 predefined goals
- Activation: the sponsor's effort in getting consumers engaged in the sponsorship and the company

1. Definition

- Leveraging is crucial to the success of sponsorship -> reason: there are so many types and areas of sponsorships -> sponsors often have no exclusive right
- Additional spending aims to serve the sponsorship's goals
- SLM is not just a communication tool, but it requires some coordination between audiences, volunteers, employees, events, activities, sales, promotions, merchandise, co-sponsors and media
- Leveraging: important tool that facilitates coordination and aims to make sure that the full potential of sponsorship is used in order to reach pre-defined goals
- Any company may profit from leveraging -> but it is particularly attractive for low-fit sponsors
 - > Low-fit sponsors can articulate the relatedness between the sponsor and the event in the media
 - > Articulation: act of explaining the relationship

2. Types and effects of leveraging tools

- Goal: stand out of the crowd
- Sponsors are competing with co-sponsors and with ambushers as regards achieving marketing goals
- Most important leveraging tool
 - > Public relations
 - > Internal communications
 - > Hospitality
 - > Social Media
 - > Traditional advertising
 - > Internet tie-ins
 - > Sampling on-site
 - > Business-to-business communications
 - > Sales promotion offers
 - > Direct marketing

2.1 Public relations

- Organizations share information with the public and manage the relationship to the public
 - > Prepare for press conferences
 - > Write news releases
 - > Arrange interviews
 - > Write speeches
 - > Speak in public

2.2 Social media

- Internet-based applications that allow to create, share and exchange user-generated content in virtual networks

2.3 Traditional advertising

- Most popular advertising tools prior to the internet

2.4 Direct marketing

- Allows organization to directly communicate with their customers
 - › Direct mail
 - › Telemarketing
 - › Email marketing
 - › Broadcast faxing
 - › Couponing
 - › Directselling
 - › Direct Advertising

2.5 Leveraging effects

- Leveraged sponsorship influence the same outcome variable as non-leveraged sponsorship
- Using the concept of leveraging, the sponsors seek to increase the effectiveness
- Presence of leveraging tools may increase sponsorship awareness and correct sponsor identification
- It also increases the attitude towards the sponsor
- It can create differentiation between sponsors and non-sponsors
- It can provide preventive protection against ambush marketing

2.6 Considering low-fit sponsors

- High-fit sponsorships already make sense to the target group because company matches with the sponsored property -> brand profits from functional-based fit perceptions and image-based perceptions
- Low-fit sponsorships make less intuitive sense to consumers
 - › Example: Rolex sponsors CHIO Aachen
 - › No direct connection between the company's products and the competition
 - › To make sponsorship have a better functional fit -> Rolex my highlight that the company ensures accurate time measurements
- Articulation as part of the leveraging has stronger effects on outcome variables in low-fit sponsorships -> high-fit sponsors' sponsorship does already make sense a priori
- Articulation of the relationship creates additional links -> improves memory compared to when no articulation is provided

3. Leveraging via activation

- Concept may include activities such as event-related sweepstakes, event-driven mobile internet competitions and event-themed brand websites

3.1 Non-activational communications

- Brands communicate to target groups to promote the sponsorship association
- Processing is passive

3.2 One-site activation

- Marketing instruments (e.g., one-site sampling or hospitality services) aim to create an attractive and memorable sponsorship experience that tries to engage consumers with the brand
- Sponsors want to have attendees experience the brand via all 5 senses and sponsor want to influence the way consumers interact with the brand

- Example: Red Bull -> sponsor and organizer of sports events at the same time
- Sponsorship becomes similar to brandfests, where companies have full control over the event -> corporate sponsored events
- Low-fit sponsors particularly profit from one-site activation of sponsorship as regards brand attitudes and attitude transfer from the event to the brand

3.3 Activation via the media

- Leveraging sponsorships via sponsors' web sites enable activation at the mass-media audience level
- Activation sponsor websites produced more favorable attitudes than non-activational web sites

3.4 One-site activation vs. activation via the media

- Two different audiences at activation activities
 - › Audience that participates in the sponsored event in some form, e.g., sport game attendees
 - › Audience outside the setting that can be reached via the media, e.g., sport spectators on the Internet

4. Leveraging commercial sponsorship via CSR

- Commercial sponsorship -> recipients perceive that the sponsor conducts the sponsorship for mainly commercial reasons => often true for mega-event sponsorship in sports
- Commercial sponsorship = 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)
- Sponsors want to receive some return for their investment
- Sponsorships often perceived to be commercial when there is no obvious support that the sponsorship itself does something good to the sponsored property
- If sponsors link commercial sponsorship with CSR -> can reduce reactance in recipients and increase the outcomes
- Linkage activates triangle of associations between the brand, the sponsored events and CSR
- This is a 2-level decision
 - › First level: they decide whether or not to link CSR to sponsorship
 - Decision refers to communication content -> can be wither sponsorship only or CSR-linked sponsorship
 - › Second level: selection of the focus of the CSR-linked sponsorship communication
 - Sponsors can either focus on CSR information or the sponsored information
 - Decision refers to communication focus
- Communicating CSR-linked sponsorship and focusing on CSR -> signal that brand is doing good
- Consumers learn about the brand's ambition to serve society and brand's sponsorship of the event
- CSR-linked sponsorship increases CSR perception -> has positive effects on brand evaluations
- Moderately low-fit to sponsored event -> higher increase in consumer CSR perception
- Moderately high-fit to sponsored event -> additional information about CSR had no effects on brand evaluations

Chapter 10: Official sponsorship vs. ambush marketing

1. Definition of ambush marketing

- Recent trends in sponsorship of events: long-term sponsorship engagements, exclusiveness of sponsorships and tight control of contractual rights of the sponsors
- Some brands excluded from certain sponsorships -> Competitors try to find other ways to associate their brand with sporting events without purchasing sponsorship rights and are increasingly employing ambush marketing
- Ambushers do not possess the right to associate their brand with an event by purchasing sponsorship rights
- Ambushers try to profit from association of their brand with the event
- Ambush marketing: practice whereby another company, often a competitor intrudes upon public attention surrounding the event, thereby deflecting attention toward themselves and away from sponsor
- Form of associate marketing
 - › Designed by organization to capitalize on the awareness, attention, goodwill and other benefit
 - › Generated by having an association with an event or property
 - › Without organization having an official or direct connection to that event or property
- Ambush marketing: successful communication of association of a brand with a property without the purchase of legitimate sponsorship rights
- Mostly not illegal and a common practice

2. Popularity of ambush marketing

- Popularity of ambush marketing has increases -> reason: reaction to policy of event organizers limiting number of sponsors and guaranteeing exclusivity in a product category
- Has become more prominent in surroundings of other mega-events

2.1 Reason for ambush marketing implementation

- Used by brand managers depending on
 - › Financial budget for brand communication
 - › Communication strategies and channels of their brands
 - › Brand evaluations that they want to achieve
- Can be observed on small scale involving low marketing budgets and on a large-scale involving marketing budgets of several million Euros

3. Ambush marketing strategies

- Direct ambush activities
 - › Intended, targeted association of a brand with an event through a clear, explicit reference or intended connection to the ambushee
- Indirect or associative ambush activities
 - › Association of a brand with an event through suggestion or indirect reference, drawing on awareness and attention of consumers surrounding an event, without expressing reference or attachment to the property
- Incidental or unintentional ambush activities
 - › Presumed association of a brand with an event, without that brand establishing a clear, explicit, or intended connection

3.1 Direct ambush activities

- Predatory ambush marketing
 - › Deliberate ambushing of market competitor, intentionally and knowingly attacking a rival's official sponsorship in an effort to gain market share and to confuse consumers as to who is the official sponsor
- Coattail ambush marketing
 - › 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
- Property infringement ambush marketing
 - › Intentional use of protected intellectual property, including trademarked and copyrighted property such as logos, names or symbols
 - › Knowingly infringing on the rules and regulations of an event

3.2 Indirect ambush activities

- Sponsor self-ambush marketing
 - › Marketing communications activities by an official sponsor that go above and beyond what has been agreed to in the sponsorship contract, effectively ambushing the property that they support and infringing upon other official sponsors
- Associative ambush marketing
 - › 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 or around an event in order to promote a brand, without specific reference to the event itself and its imagery or themes in order to intrude upon public consciousness and gain awareness from the property's or event's audience
- Values ambush marketing
 - › Use of an event 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, in order to maximize awareness, while minimizing investment and distracting attention
- Parallel property ambush marketing
 - › Creation of or sponsorship of a rival event or property to be run in parallel to the main ambush target, associating the brand with the sport or industry at the time of the event, thus capitalizing on the main event's goodwill

3.3 Incidental ambush activities

- 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 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 the brand around the event and maximizing the use of available advertising before, during and after the broadcast in the media

3.4 Role of social media

- Online promotions and viral marketing campaigns have become more and more relevant
- Since geography does not matter on the internet, ambushers are free to associate their brand with sponsored properties given they do not break the laws

4. Effects of ambush marketing

- Ambush marketing aims to influence the recipients of the communication messages in some way -> creates consumer confusion and denying the legitimate sponsor clear association and recognition for its sponsorship role
- Net effect: official sponsor may derive considerably less benefit from its involvement
- Ambushing devalues the sponsorship by causing confusion and by diluting exclusivity of sponsorship brands
- Ambusher can achieve their objectives at lower cost -> do not have to pay for property rights
- In real life, official sponsors have access to a broad range of media for communication (board signage or interview backdrops) -> ambushers do not have this right
- Empirical evidence
 - › Official sponsors achieve higher levels of awareness
 - › Awareness effect may hold true in periods when an event does not take place and neither sponsors nor ambushers implement advertising campaign relating to the event
 - › Presence of ambushing message has little effect on sponsor recall
 - › Most studies found: presence of ambushers decrease sponsor awareness

4.1 Attitude formation towards sponsors vs. ambushers

- Emotional and cognitive processes determine attitudes
- Consumers' experience often associated more strongly with those brands who can advertise on the site or in close association with the event than for ambushers
- Implicit attitudes – empirical evidence
 - › Long-term sponsorship influences implicit attitudes positively and more favorably for sponsors -> sponsors continuously support sponsored properties
 - › Sponsors profit more from attaching their brand to the sporting events by leaving traces in the implicit memory of the spectators
 - › Likelihood that emotional experience of event shape implicit attitude is smaller for ambushers
- Explicit attitudes – empirical evidence
 - › Empirical studies found no differences between sponsors and ambushers
 - › Consumers are familiar with ambush marketing -> might have eliminated sense of unfair behavior
 - › Counter-ambushing communications by sponsor can even strengthen an ambusher-event relationship in memory
- Ambush strategies are still a threat to official sponsors because of ethical and fairness concerns
- Consumers appear not to be reactant to its use -> do not perceive any constraint on their freedom of opinion and choice
- Humor may also help ambusher form a positive brand attitude -> humor reduces negative cognitions

5. Legal perspective and designing protection strategies

5.1 Property rights management

- Property owners and corporate communications managers who are aware of potential ambush strategies can pre-emptively protect their investments
- Complete prevention of ambush marketing seems impossible and is an unrealistic goal
- More market-oriented anti-ambushing approach -> strategy of naming and shaming
 - › Sponsor discloses inappropriate behavior of ambusher and publicly criticize the ambusher
 - › Empirical evidence: strategy can reduce consumers' attitudes toward the ambusher
 - › But approach can be problematic
 - Naming the ambusher produces the unintended effect of creating or strengthening a link between the ambusher brand and the event -> may even help the ambusher
 - Attacking a competitor brand often produces a backlash effect on the image of the sponsoring brand
- Need to consider other counter-communication strategies
 - › Using educational instruments that inform the public about negative consequences of ambush marketing
 - › Responding to ambusher's campaign in a more positive and creative way -> making fun of the ambusher

5.2 Counterstrategy

- Goal of any counterstrategy: reduce effects of ambush marketing
- Counterstrategy can be considered a success if it helps sponsors reach their sponsorship goals and prevents ambushers from reaching their goals
- Successful counterstrategy may be reflected by
 - › Lower acceptance of ambush marketing
 - › Higher awareness of official sponsor
 - › Decreased brand attitudes
 - › Low believability of ambusher brand

5.3 Consumers attitudes on right protection programs

- Consumers may have negative attitudes to commercialization in sports due to perception of over-commercialization and impression that sport is losing its values and amateur nature
- Consumers may think positively about a specific event, yet dislike the entity that governs the event

Chapter 11: The sponsor perspective

1. Sponsorship decision-making in companies

1.1 Stages of decision-making

- Multi-step process that is different from company to company
- Decision may include several stages and stakeholders or may include just one stage and one person
- Arthur et al. described 3 types of purchasing opportunity: new sponsorship, modified and straight sponsorship rebuy
 - › New sponsorship
 - Sponsorship is taken over by another company, in particular a competitor in the same industry
 - Carryover recollections of previous sponsor might influence outcome variable
 - › Modified or straight sponsorship rebuy
 - Only influenced by one's own company's activities that have taken place before
- Another differentiation by Daellenbach in the context of arts sponsorship
 - › Pre-approach context: analyzing the current situation of sponsorship
 - › Approach stage: approaching potential properties to be sponsored
 - › Evaluation stage: evaluation potential properties to be sponsored
 - › Decision stage: deciding which property to sponsor
 - › Post-decision stage: managing the relationship with sponsored property

1.2 Who makes the decisions

- Influence of different decision-makers differs between these stages
- Managers from the own company often belong to the marketing division
- Sometimes there are own sponsorship divisions, especially when sponsor is engaged in sport sponsorship
- In art and culture sponsorship, social sponsorship and eco sponsorship, managers are part of public relation division
- In Germany: marketing divisions make most sponsorship decisions -> top managers may influence these decisions at any stage, particularly in pre-approach context and when making the final decision

1.3 What barriers need to be overcome

- Bruhn identified several barriers that need to be overcome
 - › Managers should not consider sponsorship as an instrument that affects one division with a company only -> sponsorship should aim to reach company's marketing goals, not only in advertising or communication
 - › Managers should not be afraid of using controlling instruments in their company when evaluating the success of the sponsorship
 - › Managers should not just do the same sponsorship as many competitors do -> use of creativity and non-conforming ways
 - › Managers should not be afraid of budget cuts when adopting new sponsorship -> possibility to link existing communication instruments with sponsorship to leverage the company's communication with the recipients

1.4 Self- interest of decision makers

- Principal-agent problem
 - › Problem exists when a person (agent) makes decisions in favor of his own interest even though he should act on behalf of another person (principal)
 - › Exists when managers who are non-owner put their own interest first and above those of the company that they work for
 - › There is mixed evidence about existence of principal-agent problem

1.5 Role of intermediaries

- There are matching services that help sponsors and sponsored properties identify and locate each other
- There are also services that match sponsors with specific agencies
- In addition: proposal manager service
 - › Helps manage requests from sponsor seekers to sponsor areas

2. Selecting sponsorships as part of sponsorship portfolios

- Decision to sponsor a property is made depending on the planning steps: situational analyses, definition of objectives, potential to communicate with target group (segmenting, targeting and positioning), potential to establish link between sponsor and sponsored property
- Brands have complex portfolios with multiple sponsorships
- Sponsorship portfolio: collection of brands and/or company sponsorships comprising sequential and/or simultaneous involvement with events, activities and individuals utilized to communicate with various audiences

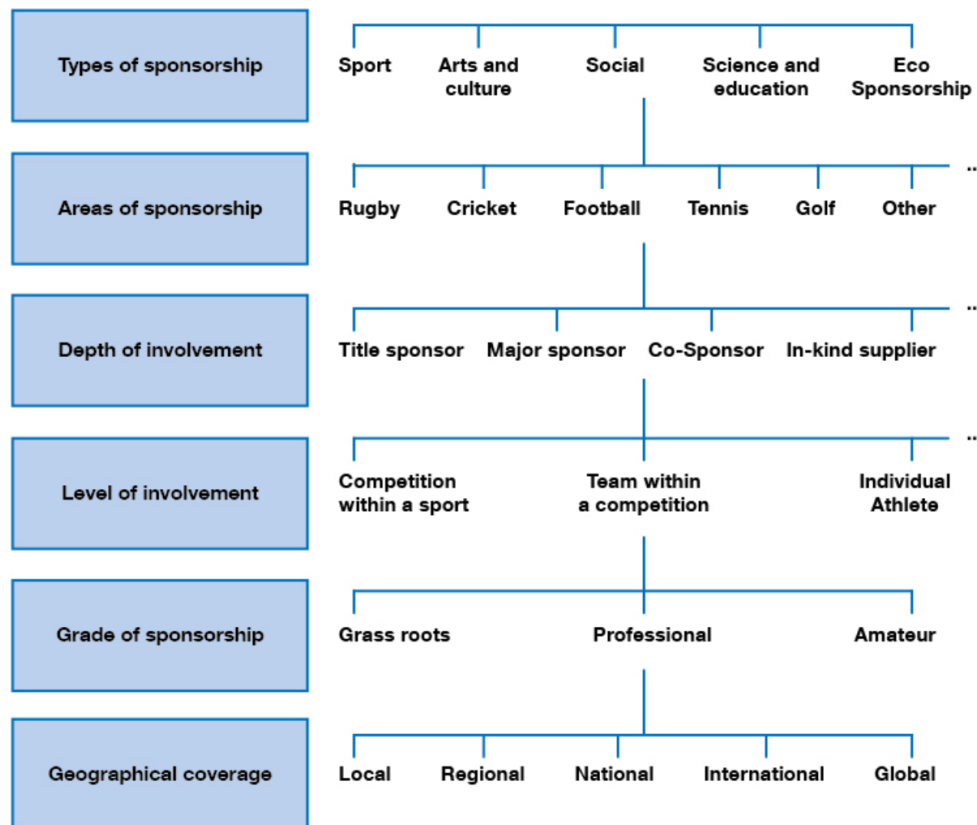
2.1 Advantages and challenges of sponsorship portfolio

- Multiple sponsorships -> potential to reach more recipients and recipients from different target groups
- Often do not have identical properties -> distinctive in associations
 - › Important that managers take into consideration what the characteristics of their existing sponsorship portfolio are and how the portfolio may change depending on inclusion of certain sponsorship
- Strategic and practical need is needed to understand importance of integrating sponsorship in sport and social causes to reach desirable outcomes -> at the same time avoiding perceptions of high commercialization

2.2 Relevance of fit

- Fit matters when dealing with portfolios in sponsorship
- Sponsor brand's network of nodes consists of various associations with each sponsorship property -> thematic organization packets
- When new sponsorship is added to a brand's portfolio, it activates corresponding concepts in memory that tie to the sponsor
- Aspects of commonality (extent to which the same associations are reinforced) and complementarity (extent to which new associations are added by any new communications element) are important
- The higher the commonality, the more likely it is that an existing brand positioning is reinforced
- The higher the complementarity, the higher the likelihood that the brand's positioning can build upon new associations and concepts

2.3 Different types and characteristics of sponsorships



- Any sponsorship that can be described by six-dimensional decision matrix may be evaluated against the background of cost-benefit trade offs -> sponsorship of some types may be more expensive or valuable than others
- Different instruments can be used to make such decisions -> one possibility: point rating system
 - › Weighting coefficient indicates importance of each of the assessment criteria (from 0% to 100%)
 - › The point values indicate the evaluation of respective criterion (from 1= very bad to 10 = very good)
 - › By multiplying weighting coefficient with point value, you obtain the weighted point value
- Sport sponsorship
 - › Wide audiences are attracted, spectators are often highly involved
 - › Arousal and excitement often make the consumption of sports highly emotional -> favorable context for sponsors
 - › Risk: sport events are unpredictable and there can be offenses against social norms
 - › Strong perspective of rivalry
 - › Some sports are perceived as over-commercialized and losing their core values
- Sponsorship in arts and culture
 - › Target group is typically a more specific group of individuals -> preferences for certain arts and cultural aspects differ greatly between individuals
 - › Context can be more luxurious or down-to-earth
 - › Several opportunities and risks to sponsors -> appropriateness and authenticity often depend on perception of how intrusive a sponsorship is

- Sponsorship in social causes
 - › Credibility and commitment are fundamental -> credible and committed engagement is basic requirement for positive perception in population
 - › If credibility and commitment are high, outcomes will be more positive -> individuals think the company is doing something good for the society
 - › Public in some countries is sometimes skeptical -> company may have extrinsic motives
 - › Risk: interest of media is low -> sponsorship is hard to communicate or leverage
- Sponsorship in science and education
 - › Sponsors must meet legal and social-ethical requirements -> often more strict
 - › Intrinsic motives are more prevalent in sponsorship in science and education
 - › Risk: sponsorship is perceived to be intrusive -> need to protect certain target groups (children)
- Eco sponsorship
 - › Sponsors take responsibility for the environment
 - › Credibility and evidence base are important success factors
 - › Risk: potential transgressions inside the company and resulting contradiction from stakeholders
- Areas of sponsorships
 - › Sport sponsorship: certain sports
 - › Arts and culture: certain activities, like operas or classic music festivals
 - › Social sponsorship: sponsored properties may be organizations devoted to public welfare, health care organizations, political parties, religious institutions, ...
 - › Science and education: sponsorship of kindergartens, schools, universities
 - › Eco sponsorship: protection of nature and landscape, animals, environment
- Decision on areas of sponsorship depends on situational analyses and planning process

2.4 Depth of sponsorship involvement

- Depth reflects the status of the sponsorship -> ranging from low to high involvement
- The deeper the involvement, the more expensive are sponsorship rights
- Title sponsors represent deepest involvement of sponsors
- Co-sponsors: less deep involvement -> typically more limited with regard to using the sponsorship-linked marketing mix instruments
- Sponsorship contracts give different rights to the sponsors -> sponsors with high depth of involvement getting to most extensive rights

2.5 Level of sponsorship involvement

- In sports: individual athletes, teams, clubs, events, leagues, federations and other institutions
- In arts and culture: individuals, clubs, ensembles, cultural institution and cultural events
- Decision depends on goals of sponsorship-linked marketing, the possibility to communicate with target groups and the possibility to link the company to the sponsored entity

2.6 Grade of sponsorship

- May include professional and amateur
- Professional activities often require sponsorship and in areas where little money can be earned with the activity per se, to finance their daily living

2.7 Geographical coverage of sponsorship

- Can be local, regional, national, international or global
- Decision should be made according to the goals of sponsorship engagement, possibility to communicate with target groups and possibility to produce high-fit sponsorships

3. Uniqueness and authenticity of sponsorship portfolios

- Companies seek for uniqueness and authenticity in sponsorship portfolios
- Company can use sponsorship as a symbolic expression of organizational identity -> makes the firm distinctive
- Sponsorship is about standing for something as a brand
- No guidelines a company need to follow -> differentiating their brands from competition and adding financial value to their brand have helped sponsorship managers
- Points-of-differences associations should be strong, able and unique associations -> differentiate brand from competitors, leading to unique and authentic positioning
- One success factor: consistency -> long-term sponsorship led to more positive sponsorship outcomes
- Sponsorship portfolio should also be value expressive

4. Terminating sponsorships

- When relationships are fading, commitment between two relationship partners decrease
- Concept of relationship fading -> relationship seems to be permanently or temporally weakening and declining
- Perception of exit strategies is crucial because it affects important brand outcomes
- Motive perception for termination of sponsorship can be described by two dimensions
 - > Extrinsic motive
 - > Intrinsic motive

Chapter 12: The sponsored property perspective

- Successful sponsorship is often innovative and creative in nature

1. Sponsor market analysis

- Entities that search for sponsorship should also assess the current situation, including market, competition and sponsorship-specific considerations
- Task: first collect information about both their environment and their own entity

1.1 Determine your needs and characteristics as a sponsored entity

- If need have been identified, the entity can develop sponsorship-specific objectives
- Need assessment may differ between the types, areas, level and depth of involvement, grade and geographical coverage of sponsorship
- Example sport sponsorship
 - › An athlete wants to not only compete nationally but also internationally and hence seeks for sponsors that help refund travelling expenses from about € 5,000 -> objective: receive monetary support from sponsors
 - › An athlete wants to be fully equipped by his favorite sports manufacturer Speedo to compete on the highest level -> objective: make a sponsorship deal with speedo that involves speedo as a supporter of latest equipment
- Determining needs and setting objectives is helpful, because it gives you an indication of what company fits to your sponsorship goals
- Moreover: determination of the characteristics (attitude, attributes, personality) that describe you as an athlete or a sports club
- Strength of linkage between sponsor and sponsored property depends on perceived fit between partners -> high fit should be based on similar characteristics
- Important to formulate a profile that reflects what you do -> makes it easier to find a matching company that has the same characteristics

1.2 Define your competitive advantage

- Reason why a company should sponsor your entity -> what is unique about you and what can you offer to potential sponsors and what are the benefits that go along with this for potential sponsors?
- Hard to have a unique selling point because sponsorship has gained prominence
- Sponsorship seekers should identify characteristics and features about them, their services and their benefits that are unique compared to what competitors already do
- Traditional way for sponsored entities: providing branding areas on clothing or on products that are used by sponsored properties

1.3 Identify prospective sponsors

- Fit and identification between the sponsor and the sponsored property are crucial in sponsoring -> prerequisite for credibility and increase the attitude transfer between the two entities
- Useful to make a complete list of potential sponsors to contact when contemplating the sponsorship fit
- For example, fit can relate to the positioning of the potential sponsor, the attitude attributes, the target groups and the products being used
- Matching services help sponsors and sponsored properties identify and locate each other
- Intermediaries often have databases that facilitate the procedure
- Advisable to be creative and think of possibilities what you can do differently than what others have done before

- Identification with a sponsor is important for the sponsorship to be credible and favorable

2. Sponsor recruitment and sponsorship strategy

- After identification of potential sponsor -> contact with your sponsorship request
- To be successful: need to create a sponsorship concept that convinces the potential sponsors to sponsor your entity

2.1 Successful recruitment of potential sponsors

- Gaining knowledge about your highest-priority potential sponsor
 - › Before starting to negotiate, knowledge about company's strategy, resources and competences in order to complement the situational analyses
 - › Reading sponsorship policy statements
 - › Having good knowledge about prospective sponsors prepares you well -> you can anticipate their expectations and desires
- Make the sponsorship most attractive for potential sponsors
 - › When having only little to offer in return would mean talking about donations or patronage
 - › Sponsorship: creating value for the sponsors
 - › Sponsor wants to gain additional value by supporting you -> learn how to be an attractive provider of sponsorship activities
 - › Potential sponsor has often an advantage given the number of alternatives it can choose from to achieve its marketing objectives -> design a flexible sponsorship offer
 - › Attractive sponsorship proposes leveraging programs that publicize the sponsor in the course of the sponsorship
 - › Sponsorship program is more attractive if it is offered exclusively -> increases the success of the sponsorship
 - › Attractive sponsorship is as individualized as possible -> consider the individual needs of a given potential sponsor and address them
 - › Needs often relate to marketing and sponsorship goals -> connecting this needs and goals with own characteristics and features
 - › Sponsorship should also fit the budget -> offering different sponsorship options and packages that go along with different sponsorship levels
- Emphasize advantages of the sponsorship
 - › If potential sponsor is not already into sponsoring: emphasizing the pros of sponsorship
 - › Can be done by revealing possible sponsorship outcomes and by providing data that you are reliable as regards your activities and performances
 - › Underlining own reliability and seriousness also by listing sponsors that you have already successfully worked with

2.2 Development of sponsorship strategy

- After you have successfully made the sponsor aware of your entity: creating a unique strategy -> hardest part because it requires creativity
- Strategy builds upon the situational analyses and should meet the pre-defined goals
- Strategy as consensus between the sponsors' goals and needs and what the sponsored property can offer
- Includes segmentation, targeting and positioning as well as how fits are created
- Some peculiarities and trends are specific to strategies and sponsorship leveraging from perspective of sponsored entities

- › Viral sponsorship-linked marketing focuses on spreading information and opinions about a product or service from person to person, especially by using social internet networks
- › Event ownership: sponsors have started to create new events as a company -> sponsorship seekers should have good arguments of how to present them because they know that the sponsor has more power to control what is happening during the events

2.3 Setting up a sponsorship contract

- To ensure legally correct transactions, sponsored parties and sponsors have to set up a sponsorship contract -> document, that formalizes the agreement between the two partners and becomes legally binding after signing it
- Contract should define sponsors' performance and consideration to be provided by the sponsored entity, specified in type, place, team and other details
- Contract has to regulate date of entry into force and duration of sponsorship and should include provisions relating prolongation options and extraordinary termination
- Extraordinary termination could happen if negative public image causes damage to the company
- Sponsorship status compared with other sponsors should be described
- Contract should provide securities for the sponsee in case of financial difficulties and regulations concerning guarantees for any damage

	Parties	Regulates
Advertising contract	Sponsor ↔ Athlete or Sponsor ↔ Organizer of a sporting event	Performance (autograph session/appearance in commercials) and rewards (payment) or Performance (provision of advertising measures) and rewards (payment)
Endorsement/ Equipment contract	Provider of sport equipment ↔ Athlete	Equipment for competitions, winning bonus
License contract	Provider of sport equipment ↔ Athlete	Conditions when providing an athlete's name for a certain sport equipment product line (e.g. Nike CR7 collection of Cristiano Ronaldo, Nike Air Jordan); Normally, athletes receive a fixed fee and sales performance payments
Labour contract	Sports club ↔ Athlete	Rights (liberties in conclusion of own contracts) and obligations (jersey advertising, promotion activities) of the athlete;

- There is only little information about prices paid for sponsorship contracts -> often negotiated privately
- On average: it takes 3 months since the first contract with sponsors until the conclusion of the contract

3. Implementation and controlling of the sponsorship

- After sponsorship analyses and the successful recruitment: sponsored entity and sponsor need to implement the sponsorship
- Can range from non-participatory to participatory sponsorship

3.1 Project-based approach

- Project management crucial when implementing sponsorship
- Includes many facets (meeting expectations from stakeholders, allocating resources to tasks, risk management, using project management tools)
- In sponsorship: project managers should particularly take into account how to leverage sponsorship, how to protect sponsors against ambushers, how to support a sponsor's portfolio best and how to accompany the whole process of the sponsorship-linked marketing process in order to increase sponsorship outcomes

- Ensuring leveraging
 - › Leveraging ensures that sponsors get most out of their sponsorship
 - › Example: sponsors that invest in leverage of their sponsorship achieve additional exposure and thereby higher levels of sponsorship awareness in recipients -> especially important when having a low-fit sponsor
- Protecting sponsors against ambushers
 - › Protection against ambushers can be achieved via multiple means
 - › Example: sponsored entity should make sure that it uses its legal rights to provide exclusiveness
- Supporting a sponsor's portfolio
 - › Sponsored entities should make sure that specific sponsorship contributes to the uniqueness and authenticity of a sponsor's sponsorship portfolio
 - › Chances to have a sponsorship contract renewed are highest if a sponsor feels that, without the sponsorship, the brand would lack of something -> should aim to make sponsorship irreplaceable
- Engaging in lifetime relationship management with sponsorship partners
 - › Always have in mind to have a good and close relationship with the sponsor
 - › Successful sponsorship is often result of long-term commitments and intimate relationship between entities
 - › Treat your sponsor like you want to be treated
 - › Example: direct communication and inform sponsor immediately if problems arise
 - › To avoid difficulties: ethically align with a partner and find an unlikely, but possible early termination

3.2 Evaluation of the sponsorship

- Sponsorship begins with the goals and ends with the goals
- Sponsored entities should support intermediaries or sponsors to collect data to assess the outcome or even offer services to take responsibility for such measurements
- There is the risk that not all sponsors profit equally from the sponsorship and not all sponsorship outcome variables are increasing year by year
- For sponsored entity
 - › Try to document your media exposure and other sponsorship outcomes
 - › Document the sponsorship implementation by making pictures of the event or sponsored property
 - › Figure out what has failed and provide solutions to avoid these problems in future