- Identifying the underlying dimensions sincerity construct in sponsorship-

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CONTENTS

Summary

Sincerity perception between a sponsor and object has been identified as a key determinant of sponsorship effect. However, previous literature in understanding dimensions of sincerity in sponsorship has been limited. This paper aims to fill the knowledge gap by clarifying the underlying dimensions formed by the audiences on sincerity perception. An exploratory study is performed to discover relevant elements. Then, the result from the first study is tested for its validity by two following studies. It is expected that this paper can offer managerial implication on what to focus for raising sincerity perception in order to improve the overall sponsorship effects.

Introduction

Defined by Meenaghan (1983), sponsorship refers to "provision of assistance either financial or in kind to an activity by a commercial organization for the purpose of achieving commercial objectives." It comes in many categories such as sports, entertainment, causes, festivals, and events. With today's excessive amount of advertising, it is a huge challenge for companies to make their promotion strategies stand out. Several firms choose sponsorship as a strategy to overcome this challenge. A clear evidence can be seen from the increasing budget spent in sponsorship industry. The largest market of sponsorship is in North America with the market size of $22.4 billion in 2016. Substantial amount of sponsorship expenditures has also been spent in Europe ($15.9 billion), Asia Pacific ($14.8 billion), and Central/South America ($4.6 billion). Yet, this $60-billion industry has been growing with a constant average of 4 percent annually since 2011 (IEG, 2017). It is obvious that sponsorship industry is expanding all over the world. Therefore, firms should be aware of how to optimize in sponsorship strategy in order to maximize their investments.

To successfully leverage on sponsorship, it requires the basis understanding of how sponsorship works toward consumers. Sponsorship provides secondary associations which can fulfill favorable, strong, and unique associations that otherwise may not exist in the brand itself (Keller, 1993). Previous literature has attempted to identify the determinants of sponsorship effect. For example, Speed and Thompson (2002) suggests that there are four key factors which generate favorable response from sponsorship including sponsor-event fit, perceived sincerity of the sponsor, perceived ubiquity of the sponsor, and attitude toward the sponsor. Olson (2010) confirms that the same predictors can be applied in both sports and cultural contexts to predict sponsorship equity. Fit and attitude toward the sponsor in sponsorship context have been researched and well-addressed by several authors. Nevertheless, sincerity and ubiquity remain to be further studied their underlying dimensions. In this paper, sincerity construct will be examined to uncover dimensions which form the basis of sincerity perception. The goal of managerial contribution of this paper is to provide brand managers a guideline of how to manage sponsorship relationships to achieve sincerity perception.

Background

Sponsorship sincerity, altruism, or scepticism has been widely mentioned as one of the key predictors of sponsorship effects (Speed and Thompson, 2002; Olson, 2010; Rifon et al., 2004; Alexandris et al., 2007). Sincerity refers to whether the relationship between the sponsor and the object is perceived as real, as in, that the sponsor care about the goal of the object and want to help it improve. For example, Under Armour's sponsoring of Dutch footballer Memphis Depay has received praise in social media as their campaign revolves around the struggles that Memphis is facing in the Premier league while playing for Manchester United. He was thought to be a young star but has struggled to show that potential in his first season. In the ad, Under Armour builds on this adversity and encourages Memphis (and the audience) to never give up and train hard to overcome adversity with the tagline: " What you do in the dark puts you in the light" (O'Reilly, 2016). This campaign received a lot of praise in social media and we believe that the sponsorship sincerity of accepting the fact that Memphis is an underdog and not trying to glorify his position contributed to the campaign being a success.

Generally, sponsor sincerity can be described as the extent to which sponsors are perceived to be motivated by philanthropy, and attitude toward sponsors were the key variables in predicting sponsorship outcomes (Alexandris et al., 2007; Lee et al., 1997). Although sincerity has been shown to be an important determinant of sponsorship effect, academic research in understanding the basis of sincerity construct has been limited. Olson (2010) suggests for future research which aims to understand how sincerity perception is formed by sponsorship audiences. In this paper, three studies will be used to discover the underlying dimensions of sincerity construct. The first study is an exploratory study using cognitive mapping technique to uncover what forms the basis of sincerity perception. Then, the second study will be carried on to test whether the uncovered dimensions can predict the sincerity perception. The last study aims at identifying methods of artificially enhancing perceptions of sponsorship sincerity which can give managers valuable insights to design and manage sponsorship activities.

Literature review

Several studies have found that sincerity is a key predictor of sponsorship effects. Originally, D'Astous and Bitz (1995) discover that philanthropic sponsorship has a more positive impact on corporate image than commercial sponsorship. Speed and Thompson (2000) find that sponsors that are regarded as engaged in sponsorship with sincere motives for supporting to sponsored object are more likely to receive superior responses to their sponsorship. Those superior responses inlcude the great level of interest to the sponsor and its other promotions, the favorability toward the sponsor, and the willingness to consider the sponsor's product. In addition, Stipp and Schiavone (1996) suggest that stronger pro-social perception on sponsorship leads to more favorable impact on the sponsor's image from consumers. It has been found that sincerity also has a role of carrying the psychological connection between a fan and the sport team to a sponsor and it is also a significant predictor of intentions to purchase products of sponsor (Kim et al., 2011). These similar findings from previous litereature provide us with clear understanding that higher sincerity perception contributes to higher positive outcomes of sponsorship acitivites.

Although it is obvious that sincerity is an important construct in predicting positive sponsorship results. Olson (2010) points out that the literature attempting to understand the basis of sincerity perception has been limited. A few previous studies suggest that fit is a good predictor of sincerity. Rifon et al. (2004) finds that a good fit between a company and the cause it sponsors generates consumer attributions of altruistic sponsor motives and enhances sponsor credibility and attitude toward the sponsor. Furthermore, Demiral and Erdogmus (2016) shows similar finding from a study with football fans in the arena before the beginning of a professional football match. The results reveal that sport consumers who see a fit between the sponsor and sport team are more likely to believe that the sponsor's motives are sincere. These sincerity perceptions contribute to favorable attitudes toward sponsor and intentions to purchase sponsor's products. These findings do not only apply in sports sponsorship context but they can also be generalized to cultural sponsorship contexts as well Olson (2010). As fit construct

seems to be a key predictor of sincerity, the next section will briefly explain about this sincerity predictor.

Fit, relatedness, or congruence has been widely mentioned as the most imporant predictor of sponsorship effects (Cornwell et al., 2005; Speed and Thompson, 2000; Olson, 2010). It can be briefly described as an "overall" basis using measures that ask respondents the "sense" or "logic" of a particular brand sponsoring a particular object such as organization, cause, event, or individual being sponsored (Olson and Thjømøe, 2011). For example, McDonald is viewed as a poor fit sponsor of Olympics given that the connection between this leading fast food brand and the world's largest sport competition seems to be doubtful. On the other hand, Adidas is viewed as a better fit of this global sport event as the brand provides athletes with necessary materials (Clark, 2012). With the growing use of the "fit" term, Olson and Thjømøe (2011) finally explains and articulates the basis of the fit constuct in sponsorship context. They conclude that that sponsor product relevance, attitude similarity, geographic similarity, audience similarity, and sponsorship duration are the underlying dimensions which predict overall fit and/or can be used to manipulate fit perceptions positively.

Attitude toward brand has also been mentioned as a relevant dimension of sincerity. Javalgi et al. (1994) and Stipp and Schiavone (1996) highlight the importance of attitude toward the sponsor in effective sponsorships. They suggest that sponsors that have a favorable image receives more positive response to their sponsorships than those who do not. Research examining the importance of attitude towards the ad (Mitchell and Olsen 1981; Shimp 1981) and attitude toward the endorser (Petty, Cacioppo, and Schumann 1983) have shown and highlighted the importance of attitude toward the stimulus (in this case sponsored objects) in the development of a favorable response.

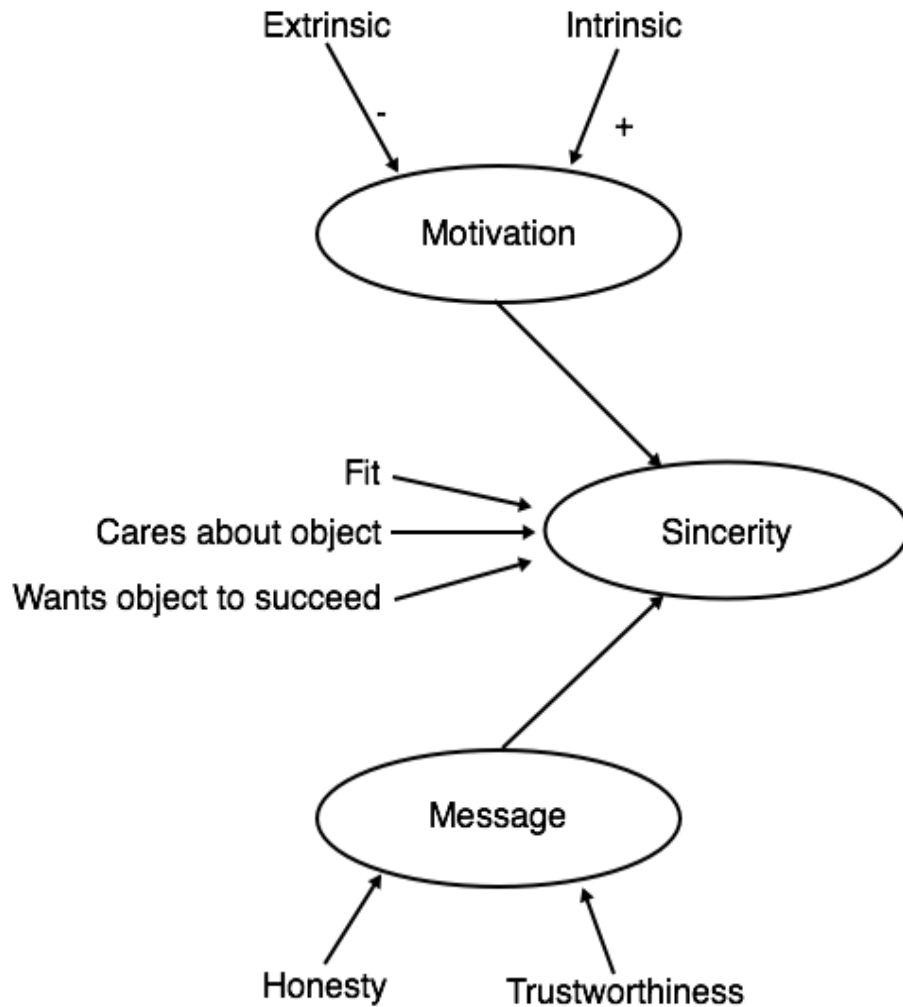Based on previous literature, a conceptual map of sincerity has been developed:

Figure 1 Hypothesised Sincerity Construct

Sincerity is hypothesised to be made up of the sponsor motivation, whether they are extrinsically motivated by money (negative effect) or have intrinsic motivation such as truly believing in the object (positive effect). The message formulation from the sponsor and the sponsored object is believed to be important where honesty and trustworthiness is believed to be of importance. Fit has been shown to affect sincerity (Olson, 2010) as well as whether the sponsor is perceived to care about and wanting the object to succeed.

With the same objective of identifying the basis dimensions of the sincerity predictor of sponsorship effect, this research study will adapt the methodology from Olson and Thjømøe (2011) in an attempt to discover which elements form the sincerity perceptions. As mentioned by Olson (2010), no previous research has attempted to understand the basis of sincerity perception. This knowledge gap leads to the following research proposition:

Proposition 1: Participants will have sincerity-related explanations that predict the overall sincerity between a sponsor and an object.

Methodology

In order to identify and explain the sincerity construct in sponsorship it was decided to base the methodology on the paper by Olsen and Thjømøe (2011) which tests and explains the fit construct in sponsorship. Therefore, three studies are set up to fins the basis of sincerity perceptions, predicting overall sincerity perceptions, and enhancing perceptions of sincerity.

Study 1

As there is no prior research on what sincerity in sponsorship is, and Olsen (2010) recommendation that a better understanding of the sincerity construct is needed, the first study is to find the basis of overall sincerity judgements. Cognitive mapping was chosen as it has been used in previous research (Olsen and Thjømøe 2011, Loken and Ward 1985, and Wright 2004) and proved successful at identifying dimensions of a construct.

A group of post graduate students will be asked to come in for an experiment where they will be represented with pictures of a brand and a sponsorship object. Real companies and sponsor objects will be used to activate the semantic network that concerns attitudes towards sponsorships. Each respondent will be asked to place the brand close to the object if they perceive it as sincere or further away if it seems less sincere. They will not be given a definition of what we believe sincerity to be as we want uncontaminated and original thoughts around the

concept. Respondents will then be asked why they placed the card as they did. Furthermore, after they have thought about sponsorships and sincerity they will be asked what they think makes a sponsorship sincere and what they think makes a sponsorship seem less sincere. Transcripts will be made of the interviews and content analysis will be performed to identify common dimensions regarding sincerity.

Postgraduates are used as their current degree is in English and using undergraduate students not used to academic English will reduce their ability to explain their thinking. An ideal sample size is about ten respondents as it provides variety and is manageable for performing content analysis.

Study 2

Study 2 is designed to determine how well the dimensions in study 1 can predict overall sincerity perceptions using a survey based experiment where respondents are asked to evaluate scenarios based one the dimensions identified in study 1.
The sample will be composed of university students and working people in the age range of 20 to 30.

An online questionnaire will be created to increase the reach to respondents. Respondents will be randomly assigned one sponsorship scenario which will be formatted as a press release from a sponsoring firm informing of a new sponsorship agreement they have gone into. After reading the press release respondents will be asked evaluative questions based on the dimensions found in order to test their significance to forming perceptions of sincerity. Based on the success of Olson and Thjømøe's (2011) paper at identifying dimentions of fit in sponsorships using a Norwegian sample group it was decided to use their methodology as a basis of our own. Therefore, the sponsorship objects to be used are a National Norwegian cross-country race and the international Formula 1 race series, as Olsen and Thjømøe found that the former is of high importance to the Norwegian people but lacks global reach, and the latter is of less importance but has a global reach. This is however, subject to change with regards to the results

from study 1 as the dimensions identified may need different manipulations than mentioned.

Study 3

Study 3 aims at identifying methods of artificially enhancing perceptions of sponsorship sincerity which in turn can be a powerful tool for marketers to utilise when choosing what to sponsor and when designing press releases. Again adapting the method utilised by Olson and Thjømøe (2011) conjoint analysis was chosen for study 3. There will be conjoint cards presented to the respondent with a description of a sponsorship agreement between agent and sponsor. The dimensions identified in study 1 and found significant in study 2 will be manipulated to be high or low. Articulation will be introduced at this stage where there is an explanation provided as to what the motivation behind the sponsorship is. This is to test whether the agent being able to provide an explanation to a sponsorship agreement will affect the perceived sincerity of the sponsorship or if it has no significant effect.

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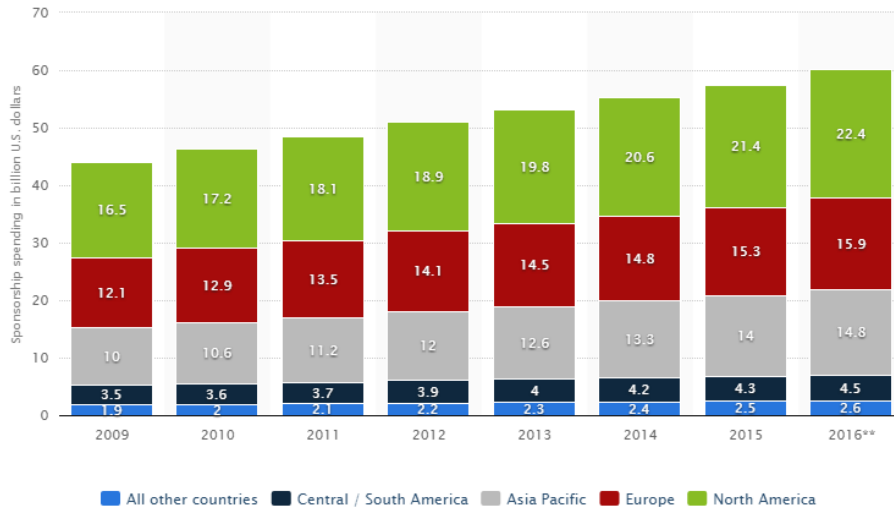
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Appendices

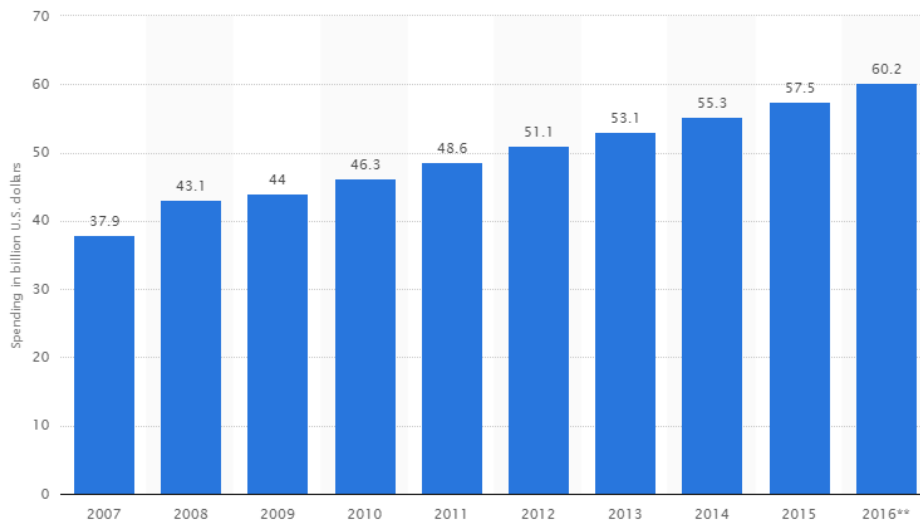Global sponsorship spending by region from 2009 to 2016 (in billion U.S. dollars)*

Additional Information: **Source:**

Worldwide; IEG; 2009 to 2015   IEG

https://www.statista.com/statistics/196898/global-sponsorship-spending-by-region-since-2009/

Global sponsorship spending from 2007 to 2016 (in billion U.S. dollars)

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