Sponsorships in podcasts

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**Summary**

To understand the potential effects sponsorship can have when used in podcasts, a review of existing literature on sponsorship in various contexts is conducted in this preliminary report. The aim with this study is to investigate how different formats of sponsorship messages (standard sponsorship message and integrated sponsorship message) in podcasts affects the listeners attitude, sincerity, awareness and perception of intrusiveness towards the sponsor. How perceived fit of sponsor and object affects the relationship will also be examined. The literature review guides the formation of nine hypotheses which will be tested through a quantitative between-subjects study, carried out by a survey experiment. The methodology is explained in detail in this preliminary. Finally, a progression plan for this study is presented.
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1.0 Introduction: Sponsorship in Podcast

Podcast is a phenomenon that has received growth and increased awareness over the past years. The term “podcast” was first used in an article for the Guardian in 2004, as a combination of “broadcast” and “pod” (referring to Apple’s Ipod) (Bonini, 2015). The term has received the definition as “a digital audio file made available on the Internet for downloading to a device” (Oxford Dictionary). Podcast is utilized for both entertainment, information and learning purposes, and has previously been perceived as a complementary to radio. The past years, podcast has increasingly been viewed as a medium moving towards professionalization of production and mass consumption (Bonini, 2015).

Advances in technology and the rapid growth in usage of smartphones, tablets and other portable devices is part of the interest podcast is receiving (Pew Research Center, 2016). This ease the availability for listeners who can tune in to podcasts they are interested in, whenever, and wherever he or she wants. A survey conducted by Edison Research in the United States (2017), shows that familiarity towards podcasts has grown from 22 percent to 60 percent the past ten years. 24 percent of the US population listen to podcasts on a monthly basis, where the frequency is highest in the age group of 25-54.

As the listening numbers of podcasts is growing, advertisers have developed an increasing interest in podcast as a medium for advertising and sponsorships. The past years, podcast producers in the US has doubled their advertising revenue. Podcast is referred to as a pull medium because the consumers are actively involved in deciding when and what to listen to. This allows brands to strategically target their appropriate audience, and provides opportunities for brands to commit to sponsorships messages, which can be formatted in different ways. The most common formats are to either deliver a standard sponsorship message, or to integrated the sponsorship as a topic that the podcast host dedicate time to talk about in their own language.

Compared to the US market, the Norwegian podcast market is less developed. A report conducted by TNS Gallup in 2016 finds that 71 % have familiarity with podcast, where 22 percent of the Norwegian population listen to podcasts monthly in 2016 (Nesheim, 2017). Although the numbers of podcast listeners are
continuously increasing, Norwegian advertisers are reluctant to invest in podcasts (Elnan, 2016). There are uncertainties among advertisers, and lack of evidence of how valuable and effective ads and sponsorships in a podcast context (Waatland, 2016). Hence, there are limited empirical research on sponsorship in podcasts. The effects of sponsorship in a podcast context is an area of increasing interest for marketers that this study will investigate.

2.0 Literature Review

2.2 Podcasting

The growing podcast phenomenon has received limited attention in literature. Existing research has mainly examined the use of podcast in education and business, while there are fewer studies on podcast as a medium for entertainment. McClung & Johnson (2010) examined the motives of podcast users, which were found to be for entertainment purposes, as well as the convenience of being able to choose when and where to listen to the podcast they have chosen based on own liking. The heaviest podcast users are commonly well-educated with a substantial household income. Furthermore, McClung & Johnson (2010), found that podcasts users tend to listen to advertisements in podcast, where heavy podcast users show a higher tolerance for the advertising. They are also more likely to support the advertiser. The researchers suggest using a sponsorship approach rather than commercials in podcasts to avoid intrusiveness. Markman (2012) examined podcasters, and found that they are typically males above the age of 35 with higher educational backgrounds. The study address six major motivations for engaging in podcasting: technology/media, content, interpersonal, personal, process, and financial motives. In particular, being able to do radio on their own term, as well as serve to a niche audience, was found to be significant motivational drivers.

Berry (2006) compared radio to podcasts, and viewed podcasting as not only a technological revolution, but also a revolution in who can produce and distribute content to a mass market. He then profiled podcasting as radio. Ten years later, Berry (2016), now view podcasting as distinct enough to be considered alongside radio, and argue that it offers “hyper-intimacy”. He argues that podcast is a highly
personal and intimate medium, which is commonly presented by people representing a community that the listener is interested in. Furthermore, listening to a podcast takes place in an intimate setting and communication form. The most listened to, American podcast “Serial”, released in 2014, is underlined as being a defining moment for the increasing interest in podcasts in recent years (Bonini, 2015; Berry, 2016). Ritter & Cho (2009), compared traditional advertising and sponsorships in podcasts, and found that sponsorships generated better consumers responses. They also found that advertisement in the beginning of podcasts was found to be less intrusive than in the middle (Ritter & Cho, 2009). Similar studies of advertisement in podcasts has not received attention in literature, being identified as a large gap in podcast literature.

2.2 Sponsorship

Several definitions of sponsorship have been developed and presented in existing literature on sponsorships. Generally, a sponsorship can be defined as when a sponsor provides cash or other compensation in exchange for access to the sponsor object’s commercial potential (Cornwell, Weeks and Roy, 2005). A broadly investigated research topics within sponsorship, is the motives for why companies should sponsor objects, persons or events. Findings shows that using sponsorships can increase a company’s brand awareness, contribute to establish a competitive presence in the market, facilitate a positive brand image, and target consumers through their lifestyles and interests (Gwinner & Bennett, 2008; Cornwell et al., 2005). Verity (2002) states that the brand objective with a sponsorship can be to increase target market awareness, build positive image dimensions and block competition. Sponsorships should seek to gain additional attention to the brand by building associations where the audience already has a high level of interest (Verity, 2002). Sponsorships taps into another area in the consumers consciousness than traditional advertising do, as it tends to be perceived as a promotion rather than a direct sales message (McDonald, 1991).

Research shows that while traditional advertising can change the consumer's perception of a specific product, sponsorships can change the consumer's perception of a specific sponsor. This will again have a positive effect on the brand and the consumers’ willingness to purchase (Bill, 2001). In contrast to
advertising, which offers a more knowable and controlled communication, sponsorships offer a fee paid in advance for future communication values (Cornwell et al., 2005) Traditional advertising is found to commonly directly influencing consumer perceptions of brand, while sponsorship has an indirect influence (Crimmins & Horn, 1996). Enhanced media exposure, awareness, recognition, recall, sponsors image, purchase intentions and word of mouth communications can all be outcomes of a sponsorship (Tsiotsou & Alexandris 2009; Grohs, Wagner & Vsetecka, 2004; Martensen, Bendtse & Jensen, 2007). A successful sponsorship will enhance the consumers perception of the company, while an unsuccessful sponsorship might not have an effect at all or, in worst case, backfire and have a negative effect on the company (McDonald, 1991) Furthermore, sponsorships can often indirectly influence consumers perceptions of the brand (Crimmins & Horn, 1996).

Previously, sponsorships have commonly been directed towards sporting events, leagues, teams and players. The context of sponsorships in sports environments have frequently been investigated in existing literature (Grohs et al. 2004; Roy and Cornwell 2004; Martensen et al. 2007; Becker-Olsen and Simmons 2002; Gwinner and Eaton, 1999; McDaniel, 1999; Speed and Thompson, 2000; Verity, 2002; Roy and Cornwell, 2003). Olson, & Thjomoe (2009), examined the effectiveness of sponsoring versus TV advertising using a professional handball team as the context for testing. Findings shows that communication goal, sponsor fit, type of exposure and how known the sponsor brand is, are all factors affecting the effects of sponsor exposure versus a TV ad. Sponsorships can also be used in human movement sciences, the arts, events and non-government organizations (Cornwell et al., 2005; Quester & Thompson, 2001). Olson (2010) published the first empirical research that compared a sponsorship model across both a sport context and a non-sport context. His findings revealed that the model worked almost equally well in both contexts when there is high fit and explained variance. Unlike previous research, Olson’s (2010) study focus on the effect a sponsorship has on the object, rather than on the sponsor itself.

Fit between sponsor and object is the most used theoretical concept in published studies on sponsorship (Cornwell et al., 2005). Previous literature commonly agree that fit should be a key consideration in the development of sponsorships,
and that higher fit between sponsor and object equals more positive attitudes (Cornwell et al., 2005; Martensen et al., 2007; Rifton et al., 2004; Speed and Thompson, 2000; Becker-Olsen and Simmons, 2002). Low fit, even with a well-liked cause, can dilute the firm's positioning, while high fit reinforces the firm's positioning, creates favorable attitudes and build brand equity (Becker-Olsen and Simmons, 2002). Additionally, the amount of thought a consumer puts into the relationship between a sponsor and object can be determined by fit (Gwinner & Bennett, 2008). Olson & Thjømøe (2011) examined which dimensions could predict overall fit between sponsor and object. The researchers found that sponsor product relevance, attitude similarity, geographic similarity, audience similarity, and sponsorship duration were significant dimensions for predicting overall fit. Perceived fit influence various stimulus such as attitude towards the sponsor, perceived sincerity, as well as the ability to recall and recognize the sponsor (Olson, 2010; Martensen et al., 2007; Grohs et al., 2004). Fit between sponsor and object is assumed to also apply in the context of sponsorship in podcasts, as a significant influencer of sponsorship effects.

2.3 Sincerity

Sincerity is a vital factor in determining sponsorship effects. Sponsors who are perceived as sincere will receive higher benefits from the sponsorship (Speed & Thompson, 2000; Olson, 2010). Perception of sincerity is enhanced when consumers have positive pre-existing attitudes towards the sponsor or object. Pre-attitudes and fit are therefore significant predictors of sincerity (Olson, 2010; Rifon et al. 2004). Although fit between a sponsor and an object is not “natural”, the sponsor can still score high on sincerity if appropriately explained to the target audience (Cornwell et al., 2005; Simmons and Becker-Olsen, 2006). In cases of sponsorship messages in a podcast context, the integrated sponsorship message allows the podcast host to explain fit. On this basis, it is assumed that perceived sincerity towards the sponsor is enhanced when using an integrated sponsorship message in podcasts. Although, when consumers recognize the sponsorship to be associated with commercial goals, they perceive the sponsor as less sincere (Speed & Thompson, 2000). In the context of podcasts, sincerity can therefore be affected by if the sponsorship message is perceived as having commercial goals.
by the listener. The following hypothesis have been developed on basis of the above review on sincerity:

H1a: When exposed to an integrated sponsorship message, consumers will perceive the sponsor as more sincere, than when exposed to a standard sponsorship message.

H1b: Perceived fit between sponsor and object (podcast) affects consumers sincerity towards the sponsor.

H1c: When consumers experience that there is a commercial goal in the sponsorship message, it reduces their perception of sincerity towards the sponsor.

2.4 Sponsor Attitude

Consumers attitude towards both the sponsorship and object is vital in improving sponsor equity, as it affect responses to sponsorship value (Olson, 2010). Fit and sincerity are variables that are shown to have a positive effect on sponsorship attitude. In cases where consumers have positive existing attitudes about the sponsor or the sponsored object, attitude towards the sponsorship is enriched (Olson, 2010). Roy and Cornwell (2003) suggest that consumer’s attitude towards sponsors are rather based on other associations than sponsor-event associations. It can thereby be assumed that pre-associations are influential on consumers sponsor attitude. Furthermore, the higher the level of involvement, the higher the attitudes towards both brand and event (Martensen et al., 2007). The following hypotheses has been developed based on these findings:

H2a: When exposed to an integrated sponsorship message, consumer’s attitude towards the sponsor is more positive than when exposed to a standard sponsorship message.

H2b: Perceived fit between sponsor and object (podcast) affects consumers sponsor attitude.
2.5 Sponsor Awareness

Traditionally, the overall goal with sponsorships has been to enhance image and increase awareness for brands (Gross, 2014, p.44M; Quester & Thomson, 2001) A sponsorship can be more efficient for the brand image because it meets the desired market (McDaniel, 1999). Brand awareness is the strength of the associations linked to a particular brand, and can be measured through either recall or recognition (Gross, 2014, p. 44). Brand recall is defined as consumers ability to name a brand when exposed to a certain product category (Gross, 2014, p. 43). Grohs et al. (2004) implies that sponsor recall in an event-sponsorship setting depends on event-sponsor fit, by testing both unaided and aided sponsor recall. Quester & Thompson (2001), measured the attitudes to, and awareness of several sponsors and their sponsorship efforts in an art context. The researchers found that an essential part of a sponsorship investment includes to actively advertise the sponsors role to the target market. Applied in a podcast setting, this can describe the integrated sponsorship message format, where the role of the sponsor is communicated to the listeners by the podcast host. This forms the background for the following hypothesis:

H3a: When exposed to an integrated sponsorship message, consumers have higher brand awareness than when exposed to a standard sponsorship message.

H3b: Perceived fit between sponsor and object (podcast) affects consumers sponsor awareness.

2.6 Intrusiveness

Podcast is a medium where consumers can decide when, where and what to listen to. Hence, it is natural to assume that the appearance of sponsorships in podcasts might seem intrusive to the listener. In literature, intrusiveness has been defined as the interruption of editorial content (Ha, 1996). A result of intrusiveness can be irritation and avoidance. The more annoyance the consumers feel towards an ad, the less effective it will be. Previous research has looked at consequences of perceived intrusiveness. Edwards, Hairong & Lee (2002) found that intrusiveness
is the forerunner to ad irritation and avoidance, in their research on the intrusiveness on pop-up ads. Edwards et al. (2002) recommend that advertisers should target consumers, increase the relevance and value of the ad to avoid intrusiveness. Currently there are limited research on how perceived intrusiveness affects sponsorships, but it is assumed that the theoretical findings will also apply for sponsorships in a podcast context. Hence, we seek to test the following hypotheses:

H4a: When consumers perceive the fit between sponsor and object (podcast) as high, they will perceive the sponsorship message as less intrusive.

H4b: When exposed to an integrated sponsorship message, consumers experience the sponsorship message as less intrusive than when exposed to a standard sponsorship message.

3.0 Research Question & Contribution

The aim with this study is to investigate how different formats of sponsorship messages in podcasts affects the listeners attitude, sincerity, awareness and perception of intrusiveness towards the sponsor. Furthermore, the purpose is to investigate which sponsorship message format is the most effective to use for enhancing the above-mentioned variables. The study will also examine how perceived fit between podcast and sponsor influence the relationship between sponsorship message format and sponsorship effects.

This study will contribute to a better understanding of consumer responses towards sponsorship messages used as an advertising technique in podcasts. The study will mainly emphasize on sponsorship effects for the sponsor, rather than the object. It will therefore be of value for brands that are considering sponsorships in podcasts. It will hopefully contribute as an indicator of which sponsorship message is most appropriate to use to enhance the sponsorship effects in podcasts.
The following research question has been crafted as a guideline for this research: *How will consumers perceive a sponsor when being exposed to different levels of a sponsorship message in podcasts?*

**4.0 Methodology**

The aim of the study is to test the effect of the independent variable; sponsor message format, on the four dependent variables; awareness, attitude, sincerity and intrusiveness. Furthermore, the strength of the relationship between the independent variables and dependent variables is assumed to be influenced by the moderator variable, perceived fit. Consumers perceived fit between the sponsor and podcast, will likely have an effect on their perception of the sponsorship message, either negatively or positively.

*Proposed model:*

![Diagram showing the proposed model](image)

A quantitative between-subjects study will be conducted to test the nine proposed hypotheses. The testing will be carried out by a survey experiment that allows to systematically vary one or more elements in the survey to assess the variation effect on measured outcomes (Marsden & Wright, 2010). In this survey experiment, the independent variable will be manipulated, where each
independent variable consists of two levels. Each participant will be randomly assigned to one of two groups.

We will use the online survey software Qualtrics to develop the survey. A combination of snowballing and self-selection sampling will be used to collect respondents through appropriate media, such as Facebook and direct mailing.

First, the respondents will be exposed to an assigned podcast clip from one of the most popular podcast in Norway, “Tusvik & Tønne”. Respondents in each group will listen to a similar, coherent podcast clip. Format of the sponsorship message will be manipulated accordingly to the two groups in the beginning of the clip.

We will cooperate with the podcast hosts in producing and manipulating the sponsorship message in the clips, using one of their current sponsors. The independent variable, sponsorship message format, has two levels; standard message and integrated message. The standard message is a short sentence that states “this podcast is sponsored by…” When there is an integrated message the podcast host(s) talks freely about the sponsor in their own language. The hosts must clarify to the listeners that they are sponsored.

After listening to the clip, the respondents will be exposed to the same questionnaire. The questions in the survey will be divided into five categories. The first part of the survey will consist of questions regarding the respondent’s podcast habits. The second category will ask questions regarding sponsor attitude. Third, there will be questions concerning sincerity before we move on to questions regarding sponsor awareness and intrusiveness. We will use a Likert scale on most of the questions, except when testing recall, under brand awareness. Unaided recall will be tested through an open-ended question. The concluding part of the questionnaire will include demographics questions.

We aim to use MANOVA to analyze the data obtained through the survey. MANOVA is appropriate to test if changes in the independent variable, sponsor message format, has a significant effect on the dependent variables; brand awareness, brand attitude and sincerity. Other measures, such as ANOVA, might also be appropriate to analyze the data, and will be used if found valuable.
5.0 Progression Plan

After handing in the preliminary, we aim to continue searching for existing literature relevant to our research topic. In February, we will review the feedback we receive on our preliminary, and carefully take these notes into consideration. Furthermore, we will make necessary changes accordingly, such as adjusting our literature review or proposed methodology. At the end of February, we will also send a detailed description to our cooperating podcast, “Tusvik og Tønne”, on how to develop the manipulations in the clips, and receive the recordings to use in the survey from them. In March, we will begin to develop the survey, and particularly put efforts in crafting relevant and valuable questions for the questionnaire. In April, we will conduct a pretest of the survey, before sending out the survey and begin to collect data. While waiting for the responses needed, we will review and complete the first part of the paper. May is the month for analyzing our results and work on the discussion part. Throughout June, all the finishing touches on the different parts of the paper should be made, while also writing the limitations and future research. Our plan is to finish the master thesis by June 28th.
References


Appendices

Appendix 1: Progression Plan for Master Thesis

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<td>Hand in preliminary</td>
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<td>Continue to find research article</td>
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<td>February</td>
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<td>Send another e-mail to &quot;Tusvik &amp; Tønne&quot;</td>
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<td>Do a pre test</td>
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<td>April</td>
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<td>May</td>
<td>Analyze the results from the survey</td>
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<td>Work on the discussion part of the paper</td>
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<td>June</td>
<td>Write limitations and further research</td>
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