Sports Event Sponsorship for Brand Promotion

Dr. J. A. F. Nicholls, Marketing, Florida International University
Dr. Sydney Roslow, Marketing, Florida International University
Dr. Henry A. Laskey, Marketing, Western Michigan University

Abstract

In investigating the effectiveness of brand promotion at a sports event, respondents were asked to name their preferred brand in nine categories of consumer goods and services. Each category included one brand promoted at the event by a sponsor. Brand preference was analyzed in terms of frequency of attendance. Results suggest that on-site advertising effectiveness may be more related to the specific brand rather than to frequency of attendance (advertising exposure).

Introduction

Corporations continually seek new media opportunities for their advertising and promotion. The explosion of cable outlets, development of specialized magazines, insertions in print media, postal delivery of promotional literature, messages and coupons on cash register receipts, in-supermarket bombardment of consumers with voice, video, and print, delineate the constant search for new promotional possibilities. Signs advertise brands at sports stadiums and arenas; scoreboards are sponsored by particular manufacturers; discount coupons are dispensed in supermarket aisles (Promo 1993). These strategies have commonality in that their advertising messages and promotional efforts are delivered to large numbers of people at a particular location. Accordingly, such activities classify as "place-based media" in the marketing literature (Mandese 1992; Roslow, Nicholls, and Comer 1993).

Paralleling the fragmentation and decline of traditional media is the increased utilization of alternative media (Heitsmith 1992). Place-based marketing, a major alternative medium, embraces delivery of promotional messages at particular sites in order to influence immediate or subsequent purchase behavior. The sites for place-based media may be mundane, such as shopping centers and supermarkets, or large-scale special events, such as fairs, exhibitions, and festivals. Ritchie (1984) refers to the latter under the rubric of "Hallmark" events. People are attracted to these sites by a common bond: interest in a particular activity pertinent to the event; interest in shopping, to malls and supermarkets; interest in sports, to sporting events. All offer opportunities for sponsorship and advertising (Roslow, Nicholls, and Laskey 1992).

Sports events are one major category of place-based

media and account for billions of dollars of revenue (Promo 1993). To put this in other terms, Lipton international tennis championships have many levels of sponsorship so that companies of different commitments can be involved with promoting their goods or services; typically, an individual attending a recent Lipton championship could see the promotional messages of Mitsubishi, Pepsi-Cola, and IBM, the *Host Sponsors*, or BellSouth Mobility, Grand Bay Hotel, and *South Florida Magazine*, the *Silver Sponsors*.

The advertising and promotion go beyond the site itself since the sponsor is also utilizing broadcast and print media associated with the event. Thus, the sponsor reaches two different audiences with its advertising: those actually present, and the much larger number of people looking at, or listening to, broadcasts of the event, or reading about it in the press. The larger number of persons in the external audience may well be the main reason for participation in the event.

At some events it is possible for consumers to purchase the sponsors' products. For instance, a beverage or snack advertiser can have a franchise to sell its brand there. Whether a particular company sells its products on-site, or not, all advertisers aim to create a favorable image and subsequent purchase of their brands.

Other place-based sites, such as shopping centers and supermarkets, are used by advertisers in a different way. The purpose of these place-based media (also known as in-store marketing), unlike promotion at major sports events, is designed to induce immediate purchase, via coupons, sales, and demonstrations (Smith 1993). Airports, professional offices, and schools also offer the opportunity for place-based advertising and promotion.

The advertising at these sites is usually specially created, on video, for the particular audience. In the United States, one of the best known proponents of place-based marketing to students is Whittle, who also produces special video programs for physicians (Reilly 1992).

The many varieties and sub-divisions of place-based marketing are summarized in Figure 1. Two major categories are identified: Hallmark events and shopping events. Hallmark events, in turn, are broken down into mega-events, sports events, and shows. Shopping events are sub-divided into goods shopping and services shopping. This particular typology is just one of several that might be adopted. For instance, events might also be categorized into those held indoors or outdoors, those with admission charges, passes, or no fees.

immediate purchase.

Need for Place-Based Audience Data

Where other, non-place-based, media are involved, there is the likelihood of having an external audience measurement of demographics, brand loyalty, actual purchase, and purchase intentions. This research information is provided by diverse companies, including A. C. Nielsen, Information Resources, Arbitron, MRB Group, Research International, Roper Starch Worldwide, and so on. At least one of the values of some event marketing is in reaching younger audiences, sometimes referred to as "Generation X," which might be difficult to reach through traditional media (*Advertising Age* 1993; Miller 1993). This still leaves open the question of the value of the audience at the specific site

Figure 1
Typology of Place-Based Marketing Events

It is possible to have two sorts of message associated with place-based media sites: (1) specific messages relating to an individual's presence at the site itself, and (2) general messages that are actually being directed to the external print and broadcast media audience which is considerably larger. In the first instance the message is intended to encourage purchase of the advertised brand. In the second instance, the message is designed to create a favorable brand image, rather than

(Kim 1993; Nicholls, Laskey, and Roslow 1991). Such an audience may be considerably different from those watching the event on TV or reading about it in the press.

Measuring the exact benefits of sports events has, according to McCarthy (1991), always been a problem. Where the external audience is not measured, there is little concrete justification for on-site advertising other

than the creation of a favorable image, top-of-mind awareness, or the possibility of immediate purchase (Roslow, Nicholls, and Laskey 1992). Meenaghan (1991) emphasizes the need to develop effective measurement of the value of sports events.

What Kinds of Measures?

In the absence of external validity of sports advertising effectiveness, alternative measures are being utilized. For example, John Hancock Financial Services measures the effectiveness of its bowl sponsorship by the number of stories and lineage in newspapers and magazines across the country (McCarthy 1991). For the 1990 John Hancock Bowl, an American football collegiate championship, 21 binders of newspaper clippings were collected, whose value the insurance company estimated at over \$1 million of advertising equivalency. Another approach used by event sponsors is to compare sales in periods before and after the sponsored event. Such surrogate measures give no evidence of the size of the audience exposed to the promotion. Furthermore, measures such as these are incomplete because they do not tell "how event marketing shapes consumer awareness, attitudes and impressions of a company or its brands" (Levin 1993).

It is possible to have on-site audience research that goes beyond mere number counting and studies consumer attitudes, interests, and opinions (AIO). For example, statisticians have developed techniques to make place-based media surveys conform to traditional norms (Sudman 1980). Research has demonstrated that audiences at particular events have varied demographic and lifestyle characteristics, as well as distinct AIO (Nicholls, Laskey, and Roslow 1992). This finding makes certain events more attractive to some sponsors than others. For instance, the *Maryland Gold Cup* steeplechase attracts spectators targeted by the local Mercedes-Benz dealers. In contrast, those attending the *Indy CART* automobile race in Miami have characteristics sought by Nissan.

Even though Mercedes-Benz and Nissan understand the importance of demographics, lifestyles, and AIO, the impact of sponsorship and advertising in place-based media is still enigmatic. Where it is possible to make purchases on-site, sales measures are available and, moreover, can be related to the characteristics of customers. For instance, individuals who purchase particular items at a supermarket may be tracked by specialized Nielsen and IRI databases. In general, however, advertising effectiveness measures are not available for audiences at most place-based sites, including sports events, unless they are specially commissioned.

This paper is concerned with measuring the advertis-

ing effectiveness of a specific sports event. Traditional measures of effectiveness, beyond actual sales, include advertising exposure, consumer attitudes, brand recall, and purchase intentions. In this paper, brand preference has been collected and analyzed on sponsor brands promoted at a professional golf tournament.

This Study

An on-site survey was conducted at the Doral-Ryder Open Golf Tournament in 1992. This is a major Professional Golf Association (PGA) championship, held each year at the Doral Country Club in Miami, Florida. The principal sponsor, Ryder System, is a major vehicle leasing corporation, headquartered in the United States, with operations abroad. Nine major sponsors were included in the analysis.

The survey was conducted on each of the four days of the actual professional tournament. The championship itself was preceded by several days of pro-am rounds and a musical evening so that the whole affair extended over ten days. Respondents were interviewed as the tournament progressed. A total sample of 276 respondents was obtained during the final four days of tournament play. Each of the interviewers was assigned to a specific location on the golf course. Interviewers were instructed to select the first person to cross a given point following the conclusion of each interview. This procedure reduced bias with respect to the interviewer selection of the respondents.

Respondents were asked their specific brand preference in the categories included in the study. The analysis investigates whether the preference for advertiser-sponsored brands is related to the number of days attended. The aim was to establish whether there was any empirical relationship between spectators' degree of preference for brands advertised on-site and the number of days these spectators attended the tournament, i.e., the number of advertising messages directed to the event's audience.

Results

Attendance

As expected, most respondents attended just one day of the event (60.5%). The proportion of respondents attending two, three, or more days amounted to 19.2%, 11.2% and 9.1%, respectively (Table 1).

Frequency of Exposure

The companies or brands selected for study were: American/Lufthansa (airlines), Cadillac (automobiles), NCNB1 (banks), Michelob (beer), CellularOne (cellular telephones), IBM (microcomputers), Pepsi (soft drinks),

Table 1
Doral Golf Survey
Respondents by Number of Days Attended

Number of Days Attended	#	%
1 day	167	60.5
2 days	53	19.2
3 days	31	11.2
4 or more days	25	9.1
Total	276	100.0

Tail Activewear (athletic wear), and Mitsubishi (TV sets).

Other things being equal, as consumers are exposed to more messages promoting a given brand, there is an expectation that they will be more favorably disposed to that brand, have the brand name in the forefront of their consciousness, have greater preference for the brand, and, indeed, be more inclined to purchase that brand. Thus, there can be several different measures of brand advertising effectiveness. For purposes of this project, the measure of effectiveness was consumer preference for the brand. Respondents were asked, "Which of the following brands do you prefer? Please choose one only." With each day of attendance, it is reasonable to assume that an individual will receive additional exposure to an advertised brand. So, brand preference was expected to show an increase that paralleled the number of days a spectator attended the tournament.

In fact, only in the soft drink category did the brand promoted at the site show a steady progression in consumer preference with advertising exposure (days of attendance). From 21% with one day's exposure, Pepsi increased steadily to 32% after four days' exposure. The degree of preference for brands in the other categories was uneven in terms of the number of days a respondent had attended (Table 2). For example, although preference for American Airlines/Lufthansa rose from 20.4% for one day's attendance to 28% for four days' attendance, preference of the two-day attenders was 22.6%, but preference of three-day attenders was 16.1%, resulting in an average preference of 21%. For Michelob beer, one day preference was 43.1%, rising to 47.2% for two days, then dropping to 45.2% and 40% for three and four days, respectively. The end result was

an average preference of 43.8% over the four days. Even though the Cadillac automobile brand preference rose from 9% to 22.6% for two days, it dropped to 16.1% for three days and 12% for four or more days, with an average preference of 12.7%. The sportswear brand sponsor, Tail Activewear, was a local brand, with the poorest preference of all. While it rose from 3.6% for one day, to 8% for four days, it fell below each of these figures for two and three days, with a 3.3% average preference.

Advertising Age (1991) has made special mention of sports events which it characterizes as a "high-rollers game." Given the findings, why do corporations spend millions of dollars sponsoring and advertising at sports events, a special form of place-based media? Reasons for their sponsorship are discussed in the next

section.

Discussion

It is generally accepted that there are relationships between the character of sports events and the demographics, lifestyle, and AIO of the attenders. For example, sports event audiences are usually younger people, with active lifestyles. Sports events have a broad appeal beyond the immediate attenders, generating a large audience of viewers, listeners, and readers of the various media for sponsor advertising. Promotional messages can be styled to match the audiences associated with the specific media and the character of the event.

Recommendations for On-Site Sponsor Activity

There are many opportunities to create promotional programs for sponsor brands at the site itself, much as Pepsi has done so successfully. It is possible to experience the brand on-site (which is not feasible through traditional media exposure). Thus, a car manufacturer can have models on display that those attending the event can sit in, with an opportunity for sensory experiences. A financial organization, such as a bank, may provide a check-cashing service, credit card application, and the opportunity to sign up for a checking account, targeted at members of the audience.

Only Pepsi-Cola, the soft drink sponsor, and Tail Activewear, the athletic wear sponsor, proffered their products for sale on-site at the golf course. Unlike Pepsi, Tail did not promote the fact that its products were for purchase in the pro shop, so an opportunity for immediate sales was lost. Since Tail Activewear sold its

Table 2
Doral Golf Survey
Preference for Sponsor/Advertised Brand
by Number of Days Attended

Sponsor	Category	Preference in Percent				
		1 day n=167	2 days n=53	3 days n=31	4 or more days n=25	Total Preference n=276
American/Lufthansa	Airline	20.4	22.6	16.1	28.0	21.0
Cadillac	Automobile	9.0	22.6	16.1	12.0	12.7
NCNB	Bank	16.2	13.2	12.9	16.0	15.2
Michelob	Beer	43.1	47.2	45.2	40.0	43.8
CellularOne	Cellular telephone	36.5	32.1	32.3	24.0	34.1
IBM	Microcomputer	49.7	54.7	41.9	28.0	47.8
Pepsi	Soft drink	21.0	24.5	29.0	32.0	23.6
Tail Activewear	Athletic wear	3.6	0.0	3.2	8.0	3.3
Mitsubishi	Television set	4.8	5.7	0.0	4.0	4.4

clothing in the pro-shop, it seems a little odd that there were no signs calling its product line to the attention of the tournament patrons. The soft drink brand was ubiquitous at the tournament, being sold from small, attractive, carts placed in strategic locations throughout the golf course. Signs were used to advertise the varieties of the brand. In addition, there was an advertisement for the soft drink in the tournament program.

The other sponsored brands offered no possibility for an immediate effectiveness measure, e.g., purchase of the products, there are surrogate actions these sponsors could have taken. Television screens strategically placed throughout the golf course and the surrounding buildings would have provided exposure for Mitsubishi. Legalities may have complicated selling Michelob beer throughout the golf course but arrangements might have been pursued. In addition, Michelob could have made drinking glasses available to complement its fine beer. The two airline sponsors, American and Lufthansa, may have done additional promotion on-site with the distribution of their schedules, for example. Further, the airlines might have organized a drawing for free tickets. They might also have instituted a special mileage credit for their frequent flyer program when individuals mailed a Doral ticket stub back to the AAdvantage Club. This action is evidence that their customers are being reached at this particular sports event. IBM, the microcomputer sponsor, could have had immediate statistics available for each hole, including average scores, player perfor-

mance, number of pars, birdies, bogeys, and so forth. Such a program would be a practical demonstration of the speed and capability of IBM's microcomputer. Site personnel could have been provided with cellular equipment courtesy of CellularOne. These telephones would enable site personnel to help answer patrons' questions. All such promotional activities may well be helpful in enhancing brand image for the on-site audience in addition to the main purpose of sponsorship.

However, the prime rationale for sponsorship is not solely on-site promotion. Rather, it is for the external media exposure associated with the event. This generalization is reinforced by the fact that seven of the nine sponsor brands could not be purchased on-site. Therefore, for these seven sponsors, on-site purchase could not have been a consideration at all.

The real purpose of the sponsorship is to be sought elsewhere: probably in the utilization of the other media associated with the tournament. For these media, television and print, advertisers can obtain measures of effectiveness. In a sense, the sports event is probably a stalking horse for the real purpose of the sponsorship. The findings reported in this study suggest that rather than being an independent place-based medium, advertising at sports events has a symbiotic relationship with traditional media.

Suggestions for Future Research

There is an enormous potential for future research in exploring the relationship of brand promotion with the sponsorship of other sports events, such as football, basketball, tennis, swimming, ice-skating, auto races, and so forth. Even though supermarket sales data are analyzed by checkouts receipts, brand image information requires surveys of consumers. Furthermore, other less obvious place-based media offer opportunities for similar research.

Notes

NCNB has been reorganized and is now known as NationsBank.

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