Sponsorship of Fast Moving Consumer Goods –
Does packaging endorsement contribute to brand attitude? A conceptual paper

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Abstract
This conceptual paper considers sponsorship in a fast moving consumer goods context, specifically the effects of on-pack promotion of the sponsorship relationship on consumer attitudes and purchase intentions. As little research has explored these issues, this paper proposes a framework considering sponsorship effect with particular attention being paid to outcomes of consumer attitudes toward sponsoring and sponsored brand and purchase intention. It is hypothesized that using on-pack promotion of sponsorship events, causes etc, will invoke deeper learning processes and increasing the likelihood of developing brand preference. To explore these issues, research is proposed consisting of an experiment, using a 2x2x2 experiment design, controlling for involvement and brand familiarity.

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Abstract
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Introduction

Worldwide sponsorship spending has reached $26 billion (IEG 2003) with activities including sports, social causes, financial services, education, broadcast media and the arts. Modern sponsorship has been recognised as an important integrated component of the marketing investment (Catherwood & Van Kirk 1992). Sponsorship growth has been attributed to factors such as: persistent clutter of print and electronic media; concerns about effectiveness of traditional media; increased events popularity and commercialism; and an increase in relationship marketing (Meenaghan 1998; Quester & Thompson 2001). Additionally, corporations have found that through sponsorship they can achieve new levels of exposure at lower cost than traditional advertising methods (Lyberger & McCarthy 2001), with key sponsorship goals including: enhanced brand image through association with well received events; increased goodwill via perceptions of corporate generosity; and elevated brand awareness from increased exposure (Gwinner 1997). In light of these goals, Cornwell and Maignan (1998) point to the need to understand the role of sponsorship in integrated marketing communication. In particular, the attitudes of consumers toward the concept and practice of sponsorship is of considerable interest to researchers and marketing communication professionals (Quester 2001).

Companies investing in sponsorship hope that the favourable associations held by consumers toward a sponsored property will be transferred to the brand via the sponsorship association (Gwinner 1997; McDaniel 1999; Meenaghan 1991). Fast moving consumer goods (FMCG) companies capitalize on this association and feature the sponsorship relationship on their packaging, advertising and point of sale materials (Couchman 1999). For low involvement products packaging has been shown to be a critical stimulus to the creation and communication of brand identity and communicating brand meaning and strengthening the consumer-brand relationship (goals also sought through sponsorship) (Underwood, 2003). Yet how consumers perceive sponsorship endorsement has been the subject of limited research. This research attempts to address the gap in the literature, specifically concentrating on sponsorship endorsement of packaging in the FMCG industry and the effects on consumer attitudes and purchase intentions.

Literature Review

Sponsorship is defined as “an investment, in cash or in kind, in an activity, person, cause or event, in return for access to the exploitable commercial potential association with that activity, person or event by the investor (sponsor) (Meenaghan, 1991, p.36). Sponsors hope that the personal meanings of the property’s values to the consumer will be transferred to their brands, particularly the emotional connection that consumers have with a favourite property (Madrigal 2001). Emotional attachment to teams, sports, arts and causes allows sponsoring organisations to connect with consumers. Consumers the world over use sport and art association as a form of self-expression; consequently, many corporations have entered alliances with sponsorship properties in order to use this association as an alignment tool in their marketing (Burton et al, 1996; Mullin et al, 1993).

Brand association

According to Keller (1993), with additional support from an integrated marketing program, sponsorship can build customer-based brand equity by creating a secondary association with a sponsored property. As a result, attributes and attitudes associated with the sponsored property in the memories of consumers may become indirectly linked with the sponsoring brand (Tripodi
2001). Daneshvary & Schwer (2002) suggest consumers are more likely to adopt behaviour advocated by a group if they identify with the group and are more likely to purchase the product if they perceive the source as credible and an expert in the product which it endorses. Companies look to associate with causes that generate feelings of goodwill among their target audience (Till & Nowak 2000), with such associations reinforcing interest and reason to buy the product (Graham et al, 1994). FMCG organizations (e.g. Mars and Coca Cola) have a long history of association with events (e.g. Olympics, World Cup) and feature the emblems of these events under license from the relevant property owners on their packaging, advertising and point of sale materials (Couchman 1999). Prior research suggests that sponsorship must be supported by activation in order to achieve objectives. Activation costs typically include media advertising, promotions, operational support and client hospitality; which can exceed three times the cost of rights fees depending on the industry and type of sponsorship (Kearney 2003).

**Leverage by promotion**

Sponsorship has become an increasingly visible element of the marketing communications mix (Tripodi 2001) and has been shown to be an effective tool with which to alter and enhance a company’s image and reputation (Amis et al 1999). Tripodi (2001) reports that integrating sponsorship within both the communications and marketing mixes will result in a more effective execution of a firm’s promotional strategy and marketing strategy respectively and reduce the likelihood of a competitor successfully ’ambushing’ the sponsorship investment. However the way that sponsorship enables sponsors to develop their brand’s image using activation remains poorly researched. This is surprising given that image development is a primary reason for undertaking sponsorship (Marshall and Cook 1992). Therefore it is important to further develop knowledge how activation (in this case, sponsorship endorsement on packaging) contributes to brand image.

Firms typically choose to leverage their sponsorship activities, promoting the existence of their sponsorship association through advertising and/or sales promotions (Polonsky & Speed 2001). Leveraging sponsorship through advertising allows the sponsor to increase awareness of the association and to deliver a message about why the sponsorship is being undertaken. Hence, it presents an opportunity to increase the effectiveness of the sponsorship in terms of its impact on consumers’ knowledge, attitudes and perceptions about the sponsor (Meenaghan & Shipley 1999). One such type of promotion is on-pack sponsorship endorsements. The use of “on pack” endorsement is intended to support the manufacturer’s association with the sport/event/art/cause and is ordinarily a licensing right obtained as part of the sponsor’s overall sponsorship agreement.

Importance has been placed on packaging’s ability to inform and persuade consumers (Gautier, 1996). During each visit to a supermarket, today’s consumers are exposed to thousands of messages (Nancarrow et al 1998). For low involvement consumer nondurable products, such as FMCG, packaging has been shown to be a critical stimulus to the creation and communication of brand identity and in communicating brand meaning and strengthening the consumer-brand relationship (Underwood, 2003).

Although much research of processing mechanics of sponsorship exists (for example Olson & Thjomoe 2003; Cornwell et al 2003; Gwinner 1997), many studies of sponsorship effects have not explained theoretically how sponsorship works in the mind of the consumer (Cornwell et al 2005). Cornwell et al (2005, p.22) have developed a model of consumer-focused sponsorship-
linked marketing communications that brings together current theoretical understanding. The model considers five dimensions: (1) individual and group factors that influence processing of messages and responses; (2) market factors that impact outcomes and are largely uncontrollable; (3) management factors that are controllable and can strongly influence both processing and outcomes; (4) the mechanics of processing and (5) consumer-focused outcomes of sponsorship. In this model, various theories explaining how sponsorship works are included as processing mechanics including: exposure (Olson & Thjomoe 2003), low-level processing (Petty et al 1983), reactivation (Pham & Vanhuele 1997), matching/congruence (Becker-Olsen & Simmons 2002; Cornwell et al 2003; Gwinner 1997); and balance/meaning transfer (Keller 1993).

Using Cornwell et al (2005)’s model as a foundation, a model has been developed for this research, using an Elaboration Likelihood Model as the processing mechanic of interest, given the framework of investigation of FMCG and its limited involvement context. Figure 1 outlines a model of consumer processing of sponsorship endorsed packaging. This model proposes that consumer attitudes towards a sponsoring brand and sponsored brand may be influenced by sponsorship endorsed packaging, individual/group factors and product factors and in turn, these attitudes may affect purchase intent.

**Figure 1 – Model of Consumer Processing of Sponsorship Endorsed Packaging**

**Elaboration Likelihood Model (ELM)**

The influence of sponsorship on brand attitude can be understood further by considering the type of persuasion process likely to occur. Elaboration likelihood model (ELM) is a theory about how attitudes are formed and changed under varying conditions of involvement, suggesting that brand involvement (the degree of personal relevance of the brand, subject to situational change) is a key determinant of how the information is processed and attitudes are changed (Neal et al 2004, p.346). Petty and Cacioppo’s (1986) ELM suggests that information is processed by individuals ranging from a continuum of “low” cognition and consumer involvement (peripheral route to persuasion) to extensive elaboration where there is “high” cognition, motivation and diligence in processing information (central route to persuasion). Consumers become motivated and able to elaborate when the message content (sponsorship endorsement) is perceived as relevant and when they have the knowledge and ability to think about the message. Attitude changes induced via the central route have been found to relatively enduring and predictive of behaviour (Cialdini et al 1981; Petty & Cacioppo 1980). Attitude changes occur via the peripheral route because the
attitude issue is associated with positive or negative cues or inference based on various simple
cues in the persuasion context (such as expert sources) (Petty et al 1983).

**Sponsorship Endorsed Packaging**

Research focusing on visual imagery and celebrity endorsement in advertisements suggests that
pictures and celebrities on packaging may provide potential advantages for packaging strategy
(Underwood et al 2001). Designing packages with product images gains attention for brands,
increasing the likelihood of entering the consumer’s consideration set, creating more enjoyable
aesthetic experiences for the consumer and thus creating more positive overall impressions of the

Daneshvary & Schwer (2000) confirm that consumers respond to “sponsorship” association in
the same way as a celebrity endorsement. It is expected that sponsorship endorsements on
packaging would have the same effect of increasing elaboration and incidental learning.
Therefore consumer attitudes towards a sponsoring and sponsored brand may be influenced by
sponsorship endorsement on packaging, ultimately having an impact on purchase intent.

**Individual and Group Factors**

Researchers have given an increased amount of attention to the mechanics of processing
sponsorship messages and resulting outcomes (McDaniel 1999; Speed & Thompson 2000).
Individual differences such as emotions, involvement, arousal and knowledge, impact how a
consumer processes a brand-event (or activity, person or cause) stimulus in a sponsorship
context. This study considers the following factors integral to the FMCG context: - prior
experience/brand familiarity, knowledge, involvement, emotions (arousal, affection), propensity
for philanthropy, and social alliance.

**Sponsorship Outcomes**

Research into sponsorship outcomes, highlights the various outcomes as including both
behaviour and attitudinal outcomes such as:- purchase behaviour (increased sales), consumer
emotions, attitudes towards sponsored and sponsoring brand; brand associations; brand equity;
brand loyalty and purchase intentions (Cornwell et al 2005). According to Walliser (2003),
respondents to surveys investigating attitude toward sponsorship, generally declare themselves
more likely to buy sponsor products compared to competitors’ (non-sponsor) products.

Substantial evidence indicates that a consumer’s intention to purchase a product or service is
predicted on two fronts: positive attitude towards the brand itself (Laroche & Brisoux, 1989) and

**Proposed Research Methodology**

Based on the literature presented here, it can be reasonably expected that sponsorship endorsed
packaging of FMCG will be perceived positively by consumers and that consumers will consider
sponsorship endorsed packaging as a benefit. Therefore the following hypotheses are proposed:

H1 The presence of sponsorship endorsement on FMCG packaging will be positively
associated with the attitude that consumers hold toward the sponsoring brand.

H2 The presence of sponsorship endorsement on FMCG packaging will be positively
associated with a consumer’s intention to purchase that brand.

H3 Attitude toward the sponsoring brand of a sponsorship endorsed FMCG package will be
more positive for a high involvement product than a low involvement product.

Leading researches in the sponsorship field have employed research methodologies such as case
studies, focus group research, experiments and survey research (McDonald 1991, Kohl & Otker
packagings’ effect on consumer behaviour employ methodologies such as experiments, case
studies and focus group research (Underwood & Klein 2002, Nancarrow et al 1998, Silayoi & Speece 2004). Experimental research is proposed for this study as it provides validity (Quester and Thompson 2001) and allows for control of extraneous variables (Pham 1991).

In order to test the hypotheses, the proposed method is to conduct a 2 x 2 x 2 between subjects design. Subjects will be randomly assigned to one of four treatment groups that vary in terms of the product packaging (endorsement or no endorsement) and familiarity of the sponsoring brand (high vs. low). Involvement level will be a within-subjects factor with all subjects evaluating packages in both levels (high/ low involvement). Operationalization of variables is based on measures developed by: Zaichkowsky 1985 (involvement); Laroche et al 1996 (brand familiarity); Madrigal 2000 (social alliance); Lee et al 1997, Javalgi et al. 1994, (consumer attitudes); Pope & Voges 2000 (past experience); Kropp et al 1999 (Propensity for philanthropy); Keller & Aaker 1992 (perceived fit) and Baker & Churchill 1977 (purchase intention).

**Conclusion**

Although sponsorship has become an increasingly important and popular means of promotion, previous research has not considered its contribution in a packaging context. Macro environmental trends such as increased market clutter, in-store decision making and reduced advertising budgets, suggest an increasing role for product packaging as a brand communication vehicle. Research suggests sponsorship endorsement acts in similarly to celebrity endorsement on product packaging, implying that FMCG brands may benefit from marketing strategies that communicate the sponsorship relationship on packaging. It is critical that brand managers identify the effect sponsorship endorsement has on consumer behaviour and evaluate the degree to which it can enhance communication of the sponsorship relationship in the marketplace.

This paper outlines a framework of sponsorship effect on consumer attitudes and purchase intentions for FMCG, proposing an experiment methodology using a 2 x 2 x 2 within subjects design, allowing for manipulation of sponsorship endorsement and brand familiarity. The outcomes from the research will contribute to a better understanding of sponsorship effects on consumer behaviour and provide managers with the means to develop more effective branding strategies and promotions. In addition, theory development to identify the influence packaging has on consumer attitudes and behaviours could benefit academia with the establishment of operationalisable indicators of sponsorship from the consumer perspective.

**References:**


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