

Sponsorship leveraging improves consumer attitudes and purchase intentions towards the sponsoring brand – but is it relevant for FMCG packaging?

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Abstract

In the last decade sponsorship spending increased with large corporations now including some sponsorship spend in their marketing budget. With worldwide sponsorship spending now in excess of US\$26 billion (IEG2005), it is important for marketers to understand the impact of sponsorship investment on their customers as well as how to best leverage their sponsorship spend to achieve marketing and corporate goals. One widely used form of sponsorship, particularly in the fast moving consumer goods industry (FMCG) is sponsorship leveraged packaging (SLP). In spite of its common use, little is known empirically about if and how leveraging sponsorship through packaging impacts consumer attitudes to the sponsoring brand. This paper proposes a research model and methodology that will allow researchers to test the relationship between SLP and consumer attitudes and purchase intention.

Introduction

In the last decade sponsorship has become a mainstream marketing communications tool with worldwide sponsorship spending reaching US\$26 billion (IEG 2005). Sponsorship effectiveness has been shown to be directly related to the degree to which the sponsors are willing to leverage their investment, with the view to increasing awareness of the association and to deliver a message about why the sponsorship is being undertaken (Quester and Thompson 2001; Fahy et al. 2004; Grohs et al. 2004). Sponsorship leveraged packaging (SLP) capitalizes on the commercial potential of the sponsorship investment and the benefits of packaging, in order to *communicate the sponsorship arrangement to consumers*. SLP involves depicting the sponsored property's image, logos or symbols on the sponsoring brands' packaging and is a common strategy used by fast moving consumer goods firms (e.g. Coca Cola).

Despite the widespread use of SLP by modern organisations, little empirical research exists to explain its impact on consumers' attitudes toward the sponsor and their products. This proposed program of research will address this gap in the known body of literature relating to sponsorship, packaging and marketing communications by empirically investigating the relationship between SLP and consumer attitudes and purchase intentions. Further, as marketing managers worldwide are beginning to allocate more of their marketing budget to sponsorship activities, it becomes increasingly important for them to have a clear understanding of what to expect when SLP is used and how to maximise its impact on consumers and the marketplace.

The primary goal of this paper is to propose a model and methodology to test the relationship between SLP and consumer attitudes and purchase intentions toward the sponsors' products, particularly in a FMCG context. In researching the potential relationship between SLP and consumer attitudes and purchase intentions, a number of influencing factors have been

identified that are known to influence sponsorship effectiveness. These factors have been incorporated into a proposed research model of the impact of SLP on consumer attitudes and purchase intentions which will allow the research question of, 'How does sponsorship leveraged packaging impact consumer's attitude toward the sponsor and purchase intentions toward the sponsors products?' to be answered.

Literature Review

Much of sponsorship literature and research effort is focused on how sponsorship can be used to create consumer awareness, recall and recognition (Pope & Voges 1999; McDaniel & Kinney 1996; Stotlar & Johnson 1989); as well as improving corporate image and purchase intention (Turco 1995 & Javalgi et al, 1994). Companies and researchers alike suggest that supporting sponsorship activities transfers the image of the sponsored event or property to the sponsor and benefits the image of the sponsoring company (see for example Gwinner 1997; Crimmins & Horn 1996; Gwinner & Eaton 1999; Hansen & Scotwin 1995; Javalgi et al. 1994; Otker & Hayes 1987; Quester & Thompson 2001). Thus it is important for marketers to understand this process of brand image transfer and its role in sponsorship arrangements.

Empirical evidence suggests that sponsorship improves the perception of a brand by flanking consumer beliefs about the brand and linking the brand to an event or organization that the target audience already values highly (Crimmins & Horn 1996; Stipp and Schiavone 1996; Grohs et al. 2004). For example, it has been shown that there are significant positive relationships between the attitudes of consumers toward the Olympic Games and other major sporting events and the image of Olympic and other competition sponsors.

Image transfer through sponsorship happens when the pre-existing associations held in consumers' memories regarding a property become linked in memory with the sponsored brand (Gwinner & Eaton 1999). Association with other entities is a particularly important concept for sponsorship, since sponsoring organisations are generally attempting to link some of the associations with the property or event (e.g. enriching, prestigious, youthful, relaxing, enjoyable, disappointing, sophisticated, elite, etc) to their brand in the mind of those consumers exposed to the sponsored property (Gwinner 1997). How that association is then influenced by sponsorship leverage is not yet known.

Current research has consistently shown that to be most effective, sponsorship investment should be supported by additional marketing expenditure – called leverage - such as media advertising, promotions, operational support and client hospitality (Kearney 2003, Fahy et al. 2004). Indeed, the latest sponsorship advice to marketers is that to be effective, leverage of at least 3 times the original sponsorship investment is actually required (Seguin et al 2005).

One aspect of leverage that is not often included in empirical research is special packaging which is intended to accentuate and communicate the sponsorship arrangement (Tripodi 2001). Further this form of sponsorship leveraged packaging (SLP) can also be designed to: contain images that attempt to gain attention for brands; increase the likelihood of the product entering the consumer's consideration set; create more enjoyable aesthetic experiences for the consumer; and generally create more positive overall impressions of the product in the mind of the consumer (Underwood and Klein 2002; Underwood, Klein and Burke 2001; Creusen and Schoormans 1998). Given that leveraging sponsorship on packaging in this way is designed to enhance the overall effectiveness of the sponsorship investment, it logically leads

us to ask the question, “How does sponsorship leveraged packaging impact consumer’s attitude and purchase intentions toward the sponsor’s products?”

Sponsorship leveraged packaging is a marketing tool that is most often used in the fast moving consumer goods industry (FMCG). In this industry, marketers are aware that most consumer purchase decisions are made at the point-of-sale or in the store (Harris 2000; POPAI Europe 1998; Martinez & Cardona 1997; Frontiers 1996). Therefore consumer reactions to and recognition of the marketing messages on packaging is a critical element for marketers to manage. In addition, these types of purchases fall in the category of low-involvement purchases characterised by little cognitive investment by consumers, emotional decision making and low brand loyalty (Summers et al 2005). These characteristics make the decision to invest in sponsorship and the leveraging activities associated with that investment all the more challenging. To date, there has been very limited research in the known body of literature on sponsorship and packaging that has investigated this domain, which leaves a gap that this proposed program of research will address.

In contrast, consumer responses to sponsorship in high involvement contexts have been the focus of extensive research interest. In particular, the psychological processing of sponsorship activity has received considerable attention (Cornwell et al. 2005; Walliser 2003; McDaniel 1999; Madrigal 2000). Research into sponsorship outcomes, has included both behavioural 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). One framework suggested by Witcher et al. (1991) and Meenaghan (1991) for evaluating the impact of sponsorship on consumers’ behaviours and attitudes is Lavidge and Steiner’s (1961) Hierarchy of Effects Model. This model is underpinned by the constructs of cognition, affection and conation and is designed to explain how consumers move through these three stages towards the act of purchase (Tripodi 2001) under different conditions of involvement.

Previous research has generally used the Hierarchy of Effects Model to investigate the impact of sponsorship on consumer behaviour in relation to high involvement products. However it is important, given the large sponsorship investments in the FMCG industry to examine if this framework can also be applied in a low involvement context. Therefore, for this program of research, consumer attitudes toward the sponsoring brand and purchase intention towards the sponsoring brands’ products are chosen as the variables of interest because of their great importance to marketers as consumer attitudes signify consumers’ favourable or unfavourable inclination towards particular products, thus giving an indication of future consumption patterns. Each of these variables will be now discussed in more detail.

Brand attitudes

One of the common goals sought through sponsorship is the enhancement of consumer brand attitudes (McDaniel & Kinney 1996). Research highlights the importance that consumer attitude toward the sponsor has in effective sponsorship (Javalgi et al. 1994, Stipp & Schiavone 1996). Empirical evidence suggests that positive attitudes toward a sponsor are associated with intentions to: pay attention to; act favourably towards; and be willing to consider a sponsor’s product (Speed & Thompson 2000). Positive attitudes toward a sponsor have also been found to be positively associated with intentions to purchase a sponsor’s product (Speed & Thompson 2000). Therefore purchase intention is now discussed.

Purchase intention

Purchase intentions are formed on the basis of many factors, including perceptions about attributes such as quality; endorsement by an association; identification with the sponsored property, and attitudes that have been formed towards the brand (Belch & Belch 2001; Westberg & Pope 2005). Results of previous research investigating the effect of sponsorship on purchase intention have been inconsistent. For example Hoek et al (1997) found that sponsorship did not increase purchase intention. Alternatively, Cornwell and Coote (2005) found that there was a positive relationship between consumer attitudes and purchase intentions towards sponsors' products. This lack of consistency points to a need for further research to clarify the link between consumer attitudes and purchase intentions towards sponsors' brands. A number of other factors have also been identified in the literature as important when investigating consumer attitudes toward brands, these are now discussed.

Sponsored Property involvement: Research exists that supports the notion that active participants, live spectators of events or supporters of the sponsored property are likely to experience higher levels of gratitude in the form of some degree of intended buyer behaviour to sponsoring companies (Crimmins and Horn 1996; Erdogan and Kitchen 1998). Empirical evidence suggests that sponsored property involvement significantly affects image transfer (in this case - attitudes) (d'Astous & Bitz 1995). This suggests that the extent to which a consumer is involved with the sponsored property will positively affect the consumer's attitude and purchase intention toward the sponsor and their products.

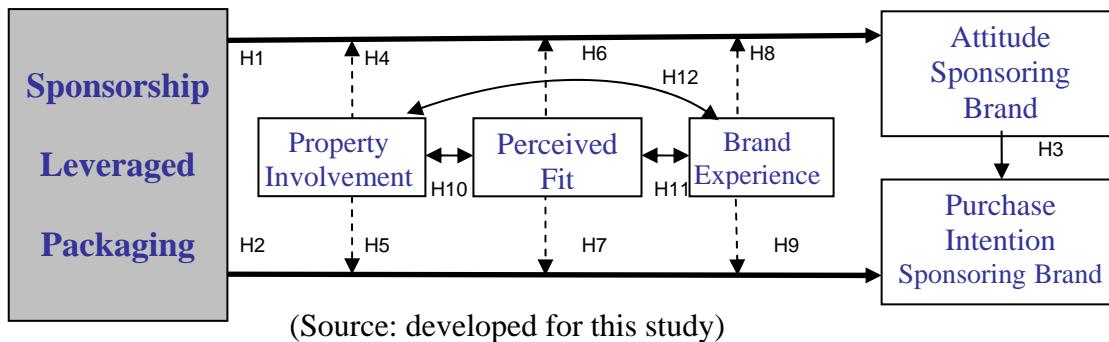
Perceived fit: Research suggests (Gwinner and Eaton 1999) that the transfer of image (in this case - attitudes) from the sponsored property to the sponsoring brand is higher when the event and sponsor are congruent in either functionality or image. Studies consistently suggest that the impact of a sponsorship is dependent on the fit between the recipient and the sponsor (McDaniel 1999). This suggests that as the extent to which a consumer perceives a fit between the sponsored property and the sponsoring brand, will positively affect the consumer's *attitude* and purchase intention toward the sponsoring brand.

Brand Experience: High levels of brand familiarity with a brand have been found to result in more positive consumer reactions such as product satisfaction, word-of-mouth recommendations and repurchase intentions (Soderlund 2002). Brand experience has been found to increase attitude strength and enhance the ability to discriminate between brands (Pope & Voges 2000). This suggests that the extent to which a consumer has had previous experience with the sponsoring brand will positively affect the consumer's *attitude* and purchase intention toward the sponsoring brand.

Future research directions

This review provides direction for developing hypotheses related to SLP that can guide future sponsorship research. The hypothesized impact of sponsorship leveraged packaging on consumer attitudes and purchase intentions towards the sponsor's products can be described in a preliminary conceptual model shown in figure 1. The model consists of one independent variable (sponsorship leveraged packaging); two dependent variables (attitude toward the sponsoring brand and purchase intention toward the sponsors products); and three variables that are suggested to impact the relationship between the independent and dependant variables (property involvement; property/sponsor fit; and brand experience). Hypotheses are summarized in Table 1.

Figure 1 Preliminary Conceptual model of Consumer Response to SLP



Research Hypothesis

- H1. SLP will positively affect consumers' attitude toward the sponsoring brand.
- H2. SLP will positively affect consumers' purchase intention toward the sponsors' products.
- H3. There is a positive relationship between attitude and purchase intention to the sponsors' brand.
- H4. Attitude toward sponsor brand is positively affected by sponsored property identification.
- H5. Purchase intention toward sponsors' products is positively affected by property identification.
- H6. Consumers' attitude toward the sponsor brand is positively affected by property/sponsor fit.
- H7. Purchase intention toward the sponsor s' products is positively affected by property/ sponsor fit.
- H8. Consumers' attitude toward the sponsor brand is positively affected by brand experience.
- H9. Purchase intention toward the sponsors' products is positively affected by brand experience.
- H10. There is a relationship between sponsored property identification and perceived fit.
- H11. There is a positive relationship between property/sponsor fit and sponsoring brand experience.
- H12. There is a positive relationship between sponsored property identification and brand experience.

Proposed Methodology

In order to test this model and hypotheses, a preliminary research design incorporating a three stage program is proposed. Stage 1 is exploratory research using focus groups of consumers and in-depth interviews with industry spokespersons to clarify and confirm the proposed preliminary model. Stage 2 is explanatory research which will expose a number of consumers to sponsorship leveraged packaging under experimental conditions to test their reactions, attitudes and purchase intentions in relation to the sponsored brand. The experiment will take the form of Solomon 4 group design – pretest-posttest (group 1) with control (Group 2)/ post-test only (group 3) with control (group 4); with 1 treatment condition - products with sponsorship leveraging and (control) products without sponsorship leveraging. Brand experience will be tested within subjects using two branded and two unbranded (or fictitious) FMCG products. Between each stage the model will be adjusted to incorporate findings. Stage 3 will replicate the experiment conducted in stage 2 for control purposes and to ensure validity of findings.

Contribution of the study to research and/or practice

This program of research can be justified on both theoretical and managerial grounds. This research builds on previous research conducted on sponsorship, contributing to the body of knowledge from a FMCG context. In addition, the effect of sponsorship leverage on consumer attitudes is relevant because sponsorship has become an increasingly visible

element of the marketing communications mix and has been shown to be an effective tool with which to alter and enhance a company's image and reputation (Tripodi 2001 and Amis et al 1999). Given the current trend for large sponsorship leverage investments (Lardinoit & Derbaix 2001) it would be advantageous for organizations to establish how consumer attitudes are affected by SLP. FMCG organisations will then be able to measure SLP effectiveness and adjust their strategies and tactics to suit, in order justify continued spending on sponsorships and to differentiate competitive offerings.

Conclusion

Although sponsorship has become an increasingly important and popular means of promotion, previous research has not considered its contribution in a packaging context. This paper outlines a framework of SLP effect on consumer attitudes and purchase intentions towards sponsors' products in a FMCG context, proposing a three step process of exploratory and experimental methodologies. 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.

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